



MIDWEST CITY
MEETING AGENDAS FOR
February 14, 2017

STAFF BRIEFING

City Hall, Midwest City Council Conference room – second floor, 100 N. Midwest Boulevard

February 14, 2017 – 6:00 PM

Special Assistance requests – tcoplen@midwestcityok.org or 739-1002. (Please provide no less than 24 hours' notice) Special assistance request during a meeting call 739-1388.

DISCUSSION.

Clarification of agenda items, handouts, and presentation of new or additional information for items on the agendas for the City Council, Municipal Authority, and Hospital Authority for February 14, 2017.



CITY COUNCIL AGENDA





CITY OF MIDWEST CITY COUNCIL AGENDA



City Hall, Midwest City Council Chambers, 100 N. Midwest Boulevard

February 14, 2017 – 7:00 PM

A. CALL TO ORDER.

B. OPENING BUSINESS.

- Invocation - Public Works Director, Vaughn Sullivan
- Pledge of Allegiance - JROTC Cadets Emily Green
- Community-related Announcements
- Proclamations for Retirees Robert Broyles and Fredia Cox

C. CONSENT AGENDA. These items are placed on the Consent Agenda so that members of the City Council, by unanimous consent, can approve routine agenda items by one motion. If any item proposed on the Consent Agenda does not meet with approval of all Council members, or members of the audience wish to discuss a proposed item with the Council, that item will be removed and heard in regular order.

1. Discussion and consideration of approving the minutes of the January 24, 2017 special meeting and the January 24, 2017 regular staff briefing and meeting, as submitted. (City Clerk - S. Hancock)
2. Discussion and consideration of appointing Councilmember Pat Byrne as the second alternate replacement delegate to the Association of Central Oklahoma Governments (ACOG) Board of Directors, 9-1-1 ACOG Board of Directors, Intermodal Transportation Policy Committee, and the Garber-Wellington Association Policy Committee replacing Daniel McClure Jr., as he has resigned from Council. (City Manager - G. Henson)
3. Discussion and consideration of appointing Councilmember Rick Dawkins as an alternate to the Central Oklahoma Regional Transit Authority Task Force replacing Daniel McClure Jr., as he has resigned from Council. (City Manager - G. Henson)
4. Discussion and consideration of appointing Councilmember Susan Eads as a replacement for Daniel McClure Jr. on the Original Mile Reinvestment Committee as he has resigned from the Council. (City Manager - G. Henson)
5. Discussion and consideration of appointing Councilmember Pat Byrne to fill Daniel McClure Jr.'s seat on the Residential Parking Review Committee as he has resigned from the Council. (City Manager - G. Henson)
6. Discussion and consideration of accepting a grant of Permanent Easement from Hari Aum L.L.C., across a certain parcel of land located within the corporate boundaries of Midwest City in Lots 1 and 2 of Kuhlman Commercial District. (Community Development - B. Harless)
7. Discussion and consideration of accepting maintenance bonds from H & H Plumbing and Utilities, Inc. in the amount of \$5,745.00, \$10,107.00, and \$19,617.46, respectively. (Community Development - P. Menefee)

8. Discussion and consideration of accepting a grant of Permanent Sanitary Sewer Easement from Hudiburg Real Estate Partners L.L.C., across a certain parcel of land located within the corporate boundaries of Midwest City in the Southwest Quarter (SW/4) of Section Nine (9) Township Eleven (11) North Range Two (2) West of the Indian Meridian, in Midwest City, Oklahoma County, Oklahoma. (Community Development - B. Harless)
9. Discussion and consideration of approving and entering into an engineering contract funding agreement for Federal-aid Project Number J3-1480(046)ST, State Job Number 31480(46), with the Oklahoma Department of Transportation to receive federal funds in the amount of \$16,852.00 for the design of the Eastside (now the Midwest City) Elementary School trail extension. (Community Development - P. Menefee)
10. Discussion and consideration of entering into and approving an Agreement for Professional Surveying Services with Cedar Creek, Inc. in the amount of \$8,837.75 for a Topographic Survey of Reno Avenue from Midwest Boulevard to Douglas Boulevard. (Community Development - P. Menefee)
11. Discussion and consideration of approving and entering into a Sponsorship and Marketing Consulting Agreement with STAAR Solutions in the amount of \$3,000 plus sponsorship sales commissions and a \$2,500 stipend fee to MindsEye Advertising to effectively assist the City of Midwest City in achieving its goals and initiatives for the 2017 Star Spangled Salute Air Show. (Public Works - V. Sullivan)
12. Discussion and consideration of approving and entering into the National Museum of the United States Air Force Static Display Program 2017 Loan Agreement, SDA0241 with the United States of America, represented by the National Museum of the United States Air Force, for the T-38A 61-0817 aircraft on static display in Bicentennial Park for the period from April 1, 2017 through March 31, 2018. (Public Works - V. Sullivan)
13. Discussion and consideration of 1) declaring various computer equipment obsolete items of city property on the attached list surplus; and 2) authorizing their disposal by public auction or sealed bid. (Information Technology - R. Rushing)

D. DISCUSSION ITEM.

1. Discussion and consideration of accepting the financial audit of the City of Midwest City as of and for the year ended June 30, 2016. (Finance - C. Barron)

E. NEW BUSINESS/PUBLIC DISCUSSION.

F. EXECUTIVE SESSION.

1. Discussion and consideration of 1) entering into executive session as allowed under 25 O.S. § 307 (B) (2) to discuss negotiations concerning employees and representatives of employee groups; and 2) in open session, authorizing the city manager to take action as appropriate based on the discussion in executive session. (City Manager - G. Henson)

G. ADJOURNMENT.



CONSENT AGENDA



Notice of this Special Midwest City Council Meeting were filed with the City Clerk of Midwest City and copies of the agenda for this meeting were posted at City Hall and on the City's website, accessible to the public for at least 24 hours in advance of the meeting.

MINUTES OF THE SPECIAL CITY COUNCIL MEETING

January 24, 2017 – 5:30 PM

This special meeting was held in the Midwest City Council Chamber at City Hall, 100 N. Midwest Boulevard, Midwest City, County of Oklahoma, State of Oklahoma. The following members were present: Mayor Matt Dukes; Councilmembers Pat Byrne, Rick Dawkins, Sean Reed, and Christine Allen; and City Clerk Sara Hancock. Absent: Jeff Moore.

Call to Order. Mayor Dukes called the meeting to order at 5:33 PM.

Discussion Items.

1. **Discussion and consideration of swearing in Susan Eads as the Ward 1 replacement to fill the vacant unexpired term of Daniel McClure Jr.** Motion was made by Reed, seconded by Dawkins, to swear in Ms. Susan Eads as Ward 1 Councilmember. Voting aye: Byrne, Dawkins, Reed, Allen, and Mayor Dukes. Nay: none. Absent: Moore. Motion carried. Mayor Dukes swore in Susan Eads.

Adjournment. There being no further business, Mayor Dukes adjourned the meeting at 5:37 p.m.

ATTEST:

MATTHEW D. DUKES, II, Mayor

SARA HANCOCK, City Clerk

Notice of regular staff briefings for the Midwest City Council was filed for the calendar year with the City Clerk of Midwest City and copies of the agenda for this meeting were posted at City Hall and on the City's website, accessible to the public for at least 24 hours in advance of this meeting.

MINUTES OF THE REGULAR STAFF BRIEFING FOR MIDWEST CITY COUNCIL

January 24, 2017 – 6:00 p.m.

This regular meeting was held in the Midwest City Council Conference Room on the second floor of City Hall, 100 N. Midwest Boulevard, Midwest City, County of Oklahoma, State of Oklahoma. The following members were present: Mayor Matt Dukes; Councilmembers Susan Eads, Pat Byrne, Rick Dawkins, Sean Reed, Christine Allen, and Jeff Moore; and City Clerk Sara Hancock. Absent: none.

Mayor Dukes called the meeting to order at 6:00 p.m.

DISCUSSION. Clarification of agenda items, handouts, and presentation of new or additional information for items on the City Council agenda for January 24, 2017. Mayor Dukes, City Manager Guy Henson and Public Works Director Vaughn made community-related announcements. Staff briefed the councilmembers on various items on the agenda, and the councilmembers sought clarification and discussed individual agenda items with staff. Human Resource Director Catherine Wilson noted a scrivener's error on page 20, line 2 under "Current Fund Balance: \$1,543,687" on the bottom of the page.

Mayor Dukes closed the meeting at 7:00 p.m.

ATTEST:

MATTHEW D. DUKES, II, Mayor

SARA HANCOCK, City Clerk

Notice of regular Midwest City Council meetings was filed for the calendar year with the City Clerk of Midwest City and copies of the agenda for this meeting were posted at City Hall and on the City's website, accessible to the public for at least 24 hours in advance of the meeting.

MINUTES OF THE REGULAR MIDWEST CITY COUNCIL MEETING

January 24, 2017 – 7:00 p.m.

This regular meeting was held in the Midwest City Council Chambers at City Hall, 100 N. Midwest Boulevard, Midwest City, County of Oklahoma, State of Oklahoma. The following members were present: Mayor Matt Dukes; Councilmembers Susan Eads, Pat Byrne, Rick Dawkins, *Sean Reed, Christine Allen, and Jeff Moore; and City Clerk Sara Hancock. Absent: none. Mayor Dukes called the meeting to order at 7:10 p.m.

Opening Business. The meeting opened with the invocation by Public Works Director Vaughn Sullivan, followed by the Pledge of Allegiance led by JROTC Cadets Desiree Henderson and Marissa Baxter. Mayor Dukes and City Manager Guy Henson made community-related comments and announcements.

Consent Agenda. Motion was made by Dawkins, seconded by Moore, to approve the items on the Consent Agenda, as submitted.

1. Discussion and consideration of approving the minutes of the staff briefing and regular meeting of January 10 2017, as submitted.
2. Discussion and consideration of accepting the City Manager's Report for the month of December 2016.
3. Discussion and consideration of supplemental budget adjustments to the following funds for FY 2016-2017, increase: Reimbursed Projects Fund, revenue/Intergovernmental (14) \$11,000; expenses/General Gov't (14) \$11,000; revenue/ Intergovernmental (39) \$14,000; expenses/Grants Management (39) \$14,000; expenses/Grants Management (39) \$3,942. Fire Fund, revenue/Miscellaneous (00) \$1,500; expenses/Fire (64) \$1,500.
4. Discussion and consideration of accepting the monthly report on the City of Midwest City Employees' Health Benefits Plan by the City Manager and action as deemed necessary by the Council to maintain the plan.
5. Discussion and consideration of approving and entering into, effective February 15 2017, (1) the MassMutual Administrative Services Agreement with Massachusetts Mutual Life Insurance Company to govern the terms and conditions under which it will administer the City's Section 457 Deferred Compensation Plan including recordkeeping and other administrative services; (2) the Investment Agreement, a group annuity contract, with Massachusetts Mutual Life Insurance Company; and (3) the Trust Agreement and Resolution with Reliance Trust Company which will govern the Trust Assets of the City's 457 (b) Deferred Compensation Plan and hold and administer the assets of the Plan in accordance with the Investment Agreement.

6. Discussion and consideration of renewing the Cityworks License Agreement contract, without modification, for FY 2017-18 with Azteca Systems, Inc. a Utah corporation in the amount of \$60,000.00.
7. Discussion and consideration of entering into a contract with Oklahoma Earthbike Fellowship, Inc. (OEF) for the upkeep and routine maintenance of the Soldier Creek Industrial Park (SCIP) recreational trail.
8. Discussion and consideration of entering into a contract with Tony Boone Trails, LLC in the amount of \$50,000 to provide design/build services in construction of the SCIP Recreational Trail.
9. Discussion and consideration of entering into an agreement with Fugro Geospatial, Inc. for digital orthophotography (aerial photography) for a total price of \$10,098.
10. Discussion and consideration of accepting a grant of Permanent Easement from Red Oak L.L.C., across a parcel of land located within the corporate boundaries of Midwest City in Block One (1) Lot Three (3) of Red Oak Development Addition to the Northeast Quarter (NE/4) of Section Eleven (11), Township Eleven (11) North Range Two (2) West of the Indian Meridian, Oklahoma County, Oklahoma.
11. Discussion and consideration of awarding the bid to and entering into a contract with Luckinbill, Inc. in the amount of \$247,970.00 for the Soldier Creek Industrial Park Water and Sewer Line Public Improvements Project.
12. Discussion and consideration of the acceptance of and making a matter of record Permit No. WL000055161034 from the State Department of Environmental Quality for the Soldier Creek Industrial Park Water Line Extension Project, Midwest City, Oklahoma.
13. Discussion and consideration of the acceptance of and making a matter of record Permit No. SL000055160932 from the State Department of Environmental Quality for the Winco Foods Grocery Store Sewer Line Extension Project, Midwest City, Oklahoma.
14. Discussion and consideration of the acceptance of and making a matter of record Permit No. WL000055160931 from the State Department of Environmental Quality for the WinCo Foods Grocery Store Water Line Extension Project, Midwest City, Oklahoma.
15. Discussion and consideration of approving Joel Porter as a fourth candidate for a Municipal and Alternate Judge.
16. Discussion and consideration of approval of the Mayor's appointment of Joel Porter as a Municipal and Alternate Judge.
17. Discussion and consideration of declaring a fire department brush truck, unit number 07-03-13, surplus and authorizing its disposal by public auction or sealed bid.

18. Discussion and consideration of declaring fire department winter coats and dress jackets, surplus and authorizing their disposal by public auction or sealed bid.
19. Discussion and consideration of 1) declaring one (1) Auto License CarDetector Kit, which consists of one (1) 25MM Camera; one (1) 35MM Camera; one (1) 50MM Camera; one (1) Garmin GPS Unit; and one (1) Condor DSP, from the Police Department as surplus property; and 2) authorizing the disposal of this property by public auction or sealed bid.

Voting aye: Eads, Byrne, Dawkins, Reed, Allen, Moore, and Mayor Dukes. Nay: none. Absent: none. Motion carried.

Discussion Items.

1. **Public hearing with discussion and consideration of a resolution declaring the structure located at 7203 SE. 15th Street a dilapidated building as defined in Title 11-22-112(C) 1. Oklahoma State Statutes and setting dates to demolish and remove the structure from the site.** Motion was made by Dawkins, seconded by Byrne, to approve Resolution 2017-03, as submitted. Voting aye: Eads, Byrne, Dawkins, Reed, Allen, Moore, and Mayor Dukes. Nay: none. Absent: none. Motion carried.
2. **(CA-75) Public hearing with discussion and consideration of an appeal to Section 9-394(e) of the Municipal Code which states that freestanding signs shall be brought into compliance with the ordinance at the time any modifications or repairs are made to the sign located at 9900 SE 15th St.** Carol McKee, 9412 S. Caldwell Dr., and staff spoke with the Council. Motion was made by Byrne, seconded by Eads, to approve the appeal. Voting aye: Eads, Byrne, Dawkins, Allen, Moore, and Mayor Dukes. Nay: Reed. Absent: none. Motion carried.
3. **Discussion and consideration of budget amendments to reduce appropriations for fiscal year 2016-2017 due to declining revenues.** Doug Beabout, 13200 Shirley Lane, Finance Director Christy Barron and Public Works Director Vaughn Sullivan spoke with the Council. Motion was made by Reed, seconded by Byrne, to approve Resolution 2017-05. Voting aye: Eads, Byrne, Dawkins, Reed, Allen, Moore, and Mayor Dukes. Nay: none. Absent: none. Motion carried.
4. **Discussion and consideration of approving and adopting a new ordinance making it an offense to limit the line of sight into and out of convenience stores, providing for definitions; setting a penalty; providing for codification, providing for severability; providing for repealer and declaring an emergency.** Ray Owens, 115 S. Westminister, spoke with the Council. Motion was made by Eads, seconded by Reed, to approve and adopt Ordinance 3288. Voting aye: Eads, Byrne, Dawkins, Reed, Allen, Moore, and Mayor Dukes. Nay: none. Absent: none. Motion carried. No action was taken on the emergency clause of Ordinance 3288; therefore, it shall go into effect on February 24, 2017.

New Business/Public Discussion. There was no new business or public discussion.

Executive Session.

- 1. Discussion and consideration of (1) entering into executive session, as allowed under 25 O.S., § 307(B)(4), to discuss McGowen, et al v. City of Midwest City, Case No. CJ-2015-1802, and (2) in open session, authorizing the city manager to take action as appropriate based on the discussion in executive session.** Motion was made by Allen, seconded by Reed, to go into executive session. Voting aye: Eads, Byrne, Dawkins, Reed, Allen, Moore, and Mayor Dukes. Nay: none. Absent: none. Motion carried.

The Council went into executive session at 8:00 p.m.

Mayor Dukes reconvened the meeting in open session at 8:40 p.m. *Councilmember Reed left the meeting at 8:40 PM and returned at 8:41 PM. Motion was made by Dawkins, seconded by Eads, to authorize the city manager to take action as appropriate based upon the discussion in executive session. Voting aye: Eads, Byrne, Dawkins, Allen, Moore, and Mayor Dukes. Nay: none. Absent: Reed. Motion carried.

Adjournment. There being no further business, Mayor Dukes adjourned the meeting at 8:41 p.m.

ATTEST:

MATTHEW D. DUKES, II, Mayor

SARA HANCOCK, City Clerk



City Manager
100 N. Midwest Boulevard
Midwest City, OK 73110
Office: 405.739.1204
Fax: 405-739-1208
www.midwestcityok.org

MEMORANDUM

TO: Honorable Mayor and City Council

FROM: J. Guy Henson, City Manager

DATE: February 14, 2017

SUBJECT: Discussion and consideration of appointing Councilmember Pat Byrne as the second alternate replacement delegate to the Association of Central Oklahoma Governments (ACOG) Board of Directors, 9-1-1 ACOG Board of Directors, Intermodal Transportation Policy Committee, and the Garber-Wellington Association Policy Committee replacing Daniel McClure Jr., as he has resigned from Council.

A new appointment of a second alternate on the ACOG Boards needs to be made as former Councilmember Daniel McClure Jr., has resigned. A formal designation by the Council is necessary so that the new appointment is authorized to act on Midwest City's behalf.

Mayor Dukes is currently the delegate and Rick Dawkins is the first alternate on the ACOG Board of Directors, 9-1-1 ACOG Board of Directors, Intermodal Transportation Policy Committee, and the Garber-Wellington Association Policy Committee; however, a third alternate is required by ACOG in the event either of the first two delegates are unable to attend a meeting.

I've attached the ACOG forms for your reference.

J. GUY HENSON, AICP
City Manager

**Association of Central Oklahoma Governments and
9-1-1 Association of Central Oklahoma Governments
Board and Committee Member Delegate Designation Form**

Pursuant to the provisions of the Agreement creating ACOG, under authority of the Interlocal Cooperation Act, this form serves as notice to ACOG that the Board of Trustees/City Council/Board of County Commissioners has duly selected its voting delegate and alternate(s) to serve as its representative to one or more of the following Boards and/or Committees:

**ACOG Board of Directors (ACOG BOD)
9-1-1 ACOG Board of Directors (9-1-1 ACOG BOD)
Intermodal Transportation Policy Committee (ITPC)
Garber-Wellington Association Policy Committee (GWPC)**

The following designated voting delegate, and in his/her absence either of the listed alternates, shall have all the voting privileges and rights as established in the Agreement creating ACOG. Let this form further witness that both the regular voting delegate and the alternates are elected officials of the governing body of: City of Midwest City

Please check the appropriate Board(s) and/or Committee(s):

ACOG BOD

9-1-1 ACOG BOD

ITPC

GWPC

Designated Delegate: Name: Matt Dukes

Job Title: Mayor Email Address: mayor@midwestcityok.org

Phone # 405-739-1209 Cell #: _____

Mailing Address: _____

Alternate: Name: Rick Dawkins

Job Title: Councilmember - Ward 3 Email Address: ward3@midwestcityok.org

Phone # 405-739-1204 Cell #: _____

Mailing Address: _____

Alternate: Name: Daniel McClure Jr.

Job Title: Councilmember - Ward 1 Email Address: Ward1@midwestcityok.org

Phone # 405-739-1204 Cell #: _____

Mailing Address: _____

SIGNED: 
Mayor; Chairman - County Commissioners; City/County Clerk

DATE: 4-13-16

Please return this signed form via email: bgarner@acogok.org, fax: (405)234-2200, or mail to:
Association of Central Oklahoma Governments
21 East Main Street, Suite 100
Oklahoma City, Oklahoma 73104



City Manager
100 N. Midwest Boulevard
Midwest City, OK 73110
Office: 405.739.1204
Fax: 405-739-1208
www.midwestcityok.org

MEMORANDUM

TO: Honorable Mayor and City Council

FROM: J. Guy Henson, City Manager

DATE: February 14, 2017

SUBJECT: Discussion and consideration of appointing Councilmember Rick Dawkins as an alternate to the Central Oklahoma Regional Transit Authority Task Force replacing Daniel McClure Jr., as he has resigned from Council.

Mayor Dukes is currently the delegate; however, a new alternate delegate needs to be formally appointed to the Central Oklahoma Regional Transit Authority Task Force as former Councilmember Daniel McClure Jr., has resigned. A formal designation by the Council is necessary so that the new appointments are authorized to act on Midwest City's behalf.

I've attached the ACOG forms for your reference. As you will see, one person does not have to commit to all the boards and committees.

J. GUY HENSON, AICP
City Manager



association of central oklahoma governments

The following person is designated to serve as a member on the Central Oklahoma Regional Transit Authority (RTA) Task Force:

Member: Matt Dukes Title: Mayor
Entity: City of Midwest City
Mailing Address: 100 N. Midwest Blvd., Midwest City, Oklahoma 73110
Office Phone: 405-739-1209 Cell Phone: 405-740-3093 Email: mayor@midwestcityok.org

The following person is designated to serve as an alternate on the Central Oklahoma Regional Transit Authority (RTA) Task Force:

Alternate: Daniel McClure Jr. Title: Council member – Ward 1
Entity: City of Midwest City
Mailing Address: 100 N. Midwest Blvd., Midwest City, Oklahoma 73110
Office Phone: 405-739-1204 Cell Phone: 405- 919-5730 Email: ward1@midwestcityok.org

A handwritten signature in blue ink, appearing to read "Matt Dukes", is written over a horizontal line.

Mayor or City Manager

4-13-16
Date

Please provide completed form to John G. Johnson at jgjohnson@acogok.org and copy Holly Massie at hmassie@acogok.org.



City Manager
100 N. Midwest Boulevard
Midwest City, OK 73110
Office 405.739.1207
ghenson@midwestcityok.org
www.midwestcityok.org

To: Honorable Mayor and Council

From: Guy Henson, City Manager

Date: February 14, 2017

Re: Discussion and consideration of appointing Councilmember Susan Eads as a replacement for Daniel McClure Jr. on the Original Mile Reinvestment Committee as he has resigned from the Council.

The Original Mile Reinvestment Committee was established on September 8, 2015 and meets twice a year. Current council members include Mayor Dukes, Rick Dawkins, and Daniel McClure Jr. As Mr. McClure has resigned, a new council member needs to be named.

Action is at the discretion of the Council.

Guy Henson, City Manager



City Manager
100 N. Midwest Boulevard
Midwest City, OK 73110
Office 405.739.1207
ghenson@midwestcityok.org
www.midwestcityok.org

To: Honorable Mayor and Council

From: Guy Henson, City Manager

Date: February 14, 2017

Re: Discussion and consideration of appointing Councilmember Pat Byrne to fill Daniel McClure Jr.'s seat on the Residential Parking Review Committee as he has resigned from the Council.

The Residential Parking Review Committee was established on April 14, 2015 and meets on call. Current council members include Jeff Moore, Pat Byrne, and Daniel McClure Jr. As Mr. McClure has resigned, a new council member needs to be named.

Action is at the discretion of the Council.

Guy Henson, City Manager



The City of MIDWEST CITY

COMMUNITY DEVELOPMENT DEPARTMENT
William Harless, Community Development Director
Patrick Menefee, City Engineer

BUILDING INSPECTION DIVISION
Charles Belk, Building Official
ENGINEERING DIVISION
Patrick Menefee, City Engineer
G.I.S. DIVISION
Kathy Spivey, Manager

TO: Honorable Mayor and City Council

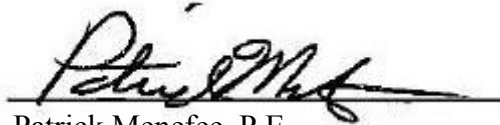
FROM: Patrick Menefee, P.E., City Engineer

DATE: February 14, 2017

SUBJECT: Discussion and consideration of accepting a grant of Permanent Easement from Hari Aum L.L.C., across a certain parcel of land located within the corporate boundaries of Midwest City in Lots 1 and 2 of Kuhlman Commercial District.

Acquisition of the property is needed in connection with a drainage project at Traveler's Inn located at 6821 SE 29th Street.

Staff recommends approval.



Patrick Menefee, P.E.
City Engineer

Attachments

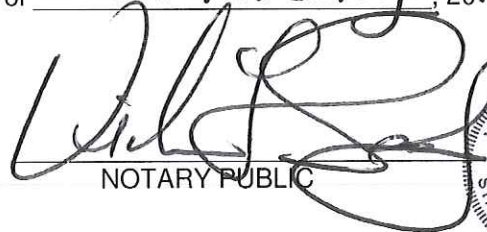

Ramesh D. Patel

as Manager of Hari Aum, L.L.C., person who subscribed the name of the maker thereof to the foregoing instrument as manager

of Hari Aum L.L.C. an Oklahoma Limited Liability Company, to me known to be the identical person(s) who executed the within and foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act of Hari Aum L.L.C. an Oklahoma Limited Liability Company for the uses and purposes therein set forth.

WITNESS, my hand and seal this 19 day of January, 2017

My Commission expires: 8.12.18


NOTARY PUBLIC


APPROVED as to form and legality this _____ day of _____, 20 .

CITY ATTORNEY

Accepted by the Council of the City of Midwest City this _____ day of _____, 2017.

ATTEST:

CITY CLERK

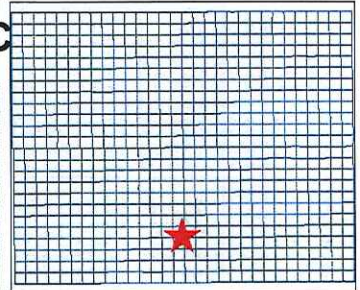
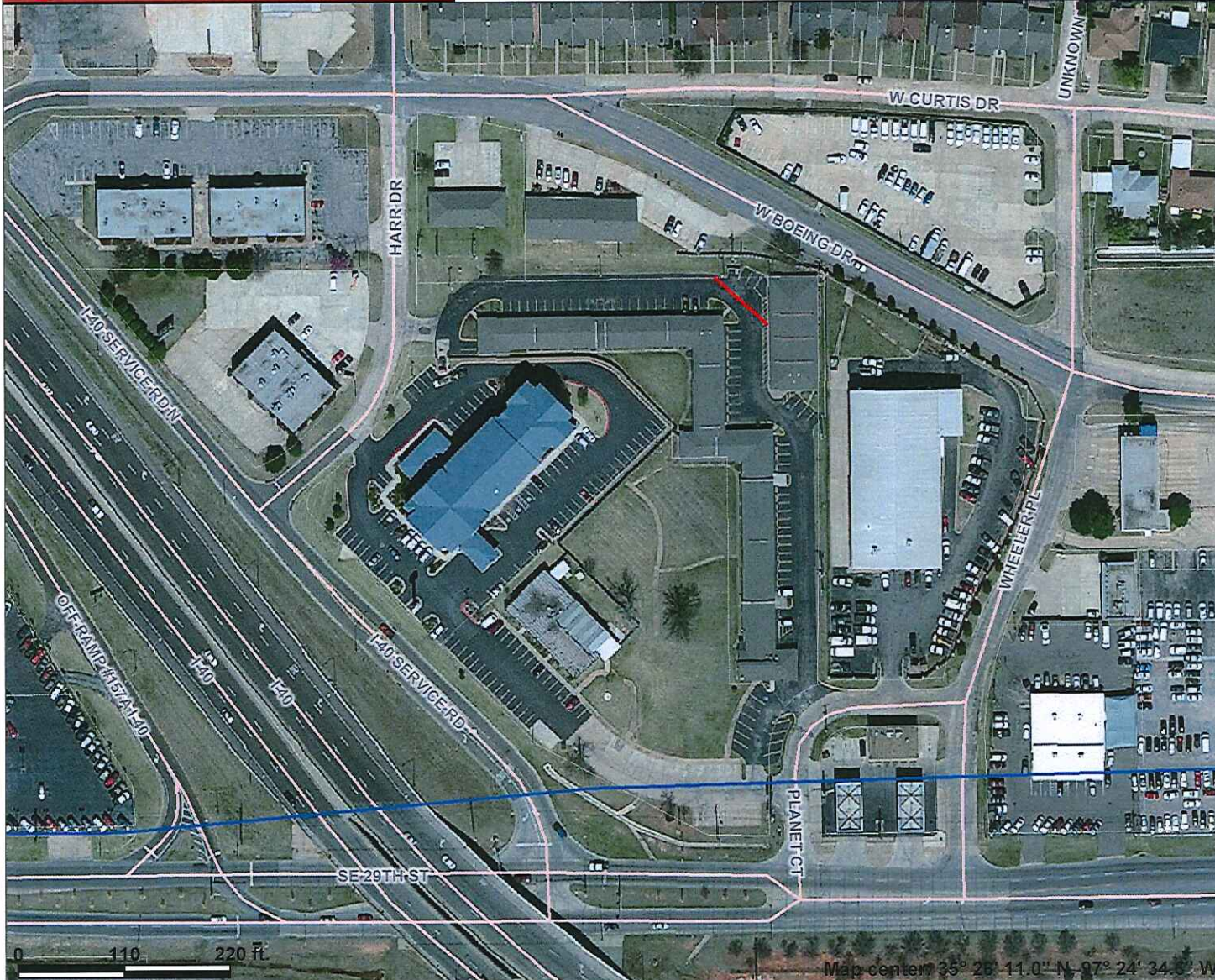
MAYOR

RETURN TO: CITY CLERK, 100 N. Midwest Blvd., Midwest City OK 73110

county parcel id 1150251700 / 6821 SE 29th St. / Traveler's Inn



Proposed Permanent Easement Hari Aum LLC



Legend

- Sections
- Streets
- Parcels
- North Canadian River
- Rivers & Creeks
- Lakes
- Aerials (flown Feb 28th - March 23rd, 2011)
- County Background



Scale: 1:1,928

This map is a user generated static output from an Internet mapping site and is for general reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable. THIS MAP IS NOT TO BE USED FOR NAVIGATION.



The City of
MIDWEST CITY
COMMUNITY DEVELOPMENT DEPARTMENT -
ENGINEERING DIVISION

Billy Harless, Community Development Director
Patrick Menefee, P.E., City Engineer

ENGINEERING DIVISION
Patrick Menefee, City Engineer
CURRENT PLANNING DIVISION
Kellie Gilles, Manager
COMPREHENSIVE PLANNING
Julie Shannon, Comprehensive Planner
BUILDING INSPECTION DIVISION
Charles Belk, Building Official
GIS DIVISION
Kathy Spivey, GIS Coordinator

TO : Honorable Mayor and City Council

FROM : Patrick Menefee, P.E., City Engineer

DATE : February 14th, 2017

SUBJECT : Discussion and consideration of accepting maintenance bonds from H & H Plumbing and Utilities, Inc. in the amount of \$5,745.00, \$10,107.00, and \$19,617.46, respectively.

The one year maintenance bonds from H & H Plumbing and Utilities, Inc. are for the storm sewer line, sanitary sewer line, and water line improvements installed in conjunction with the new residential development of the Boulevard at Oakwood East Addition off of S.E. 15th Street

Staff recommends acceptance as this is consistent with past policy



Patrick Menefee, P.E.
City Engineer

Attachments

MAINTENANCE BOND

KNOW ALL BY THESE PRESENTS that we, H & H Plumbing & Utilities, Inc., as Principal, and North American Specialty Insurance Company, as Surety, are held and firmly bound unto the City of Midwest City, Oklahoma, a municipal corporation in the state of Oklahoma, in the full and just sum of Five Thousand Seven Hundred Forty Five & 00/100 dollars (\$ 5,745.00), such sum being not less than ten percent (10%) of the total contract price to construct or install Storm Sewer to The Boulevard at Oakwood East (the "Improvement"), for a period of One (1) years after acceptance of the improvement by the City Council of the City of Midwest City (the "Maintenance Period"), for the payment of which, well and truly to be made, we, and each of us, bind ourselves, our heirs, executors and assigns, jointly and severally, firmly by these presents:

The conditions of this obligation are such that the Principal has by a certain contract between the Principal and N.E. Construction, LLP, dated the 2nd day of October, 20 15, agreed to construct or install the Improvement in the city of Midwest City and to maintain the Improvement against any failures due to defective materials or workmanship during the Maintenance Period.

NOW, THEREFORE, if the Principal, during the Maintenance Period, shall maintain the Improvement against any failures due to defective materials or workmanship, then this obligation shall be void; otherwise it shall remain in full force and effect.

It is further agreed that if the Principal or the Surety shall fail to maintain the Improvement against any failures due to defective materials or workmanship for the Maintenance Period, and at any time repairs shall be necessary, that the cost of making the repairs shall be determined by the City Council of the City of Midwest City, or some person or persons designated by them to ascertain the cost of making the repairs. If, upon thirty (30) days notice, the Principal or the Surety do not make the repairs or pay the amount necessary to make the repairs, the amount necessary to make the repairs shall be due upon the expiration of thirty (30) days, and suit may be instituted to obtain the amount necessary to make the repairs and shall be conclusive upon the parties as to the amount due on this bond to make the repairs, and that the cost of all repairs shall be so determined from time to time during the Maintenance Period, as the condition of the Improvement may require.

Signed, sealed and delivered this 5th day of October, 20 15.

H & H Plumbing & Utilities, Inc.
Principal

ATTEST:
[Signature]
Secretary

By [Signature]

North American Specialty Insurance Company
Surety

ATTEST:
[Signature]
Secretary

By [Signature]
Deborah L. Raper, Attorney-in-Fact

APPROVED as to form and legality this _____ day of _____, 20____.

City Attorney

ACCEPTED by the City Council of the City of Midwest City this _____ day of _____, 20____.

NAS SURETY GROUP

NORTH AMERICAN SPECIALTY INSURANCE COMPANY
WASHINGTON INTERNATIONAL INSURANCE COMPANY

GENERAL POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, THAT North American Specialty Insurance Company, a corporation duly organized and existing under laws of the State of New Hampshire, and having its principal office in the City of Manchester, New Hampshire, and Washington International Insurance Company, a corporation organized and existing under the laws of the State of New Hampshire and having its principal office in the City of Schaumburg, Illinois, each does hereby make, constitute and appoint:

JOHN K. DEER, VAUGHN P. GRAHAM, VAUGHN P. GRAHAM, JR., STEPHEN M. POLEMAN, SUSANNE CUSIMANO
TRAVIS E. BROWN, DEBORAH L. RAPER, JAMIE BURRIS, SHELLI R. SAMSEL, ROBBIE LOYD, and MARK D. NOWELL

JOINTLY OR SEVERALLY

Its true and lawful Attorney(s)-in-Fact, to make, execute, seal and deliver, for and on its behalf and as its act and deed, bonds or other writings obligatory in the nature of a bond on behalf of each of said Companies, as surety, on contracts of suretyship as are or may be required or permitted by law, regulation, contract or otherwise, provided that no bond or undertaking or contract or suretyship executed under this authority shall exceed the amount of:

FIFTY MILLION (\$50,000,000.00) DOLLARS

This Power of Attorney is granted and is signed by facsimile under and by the authority of the following Resolutions adopted by the Boards of Directors of both North American Specialty Insurance Company and Washington International Insurance Company at meetings duly called and held on the 9th of May, 2012:

"RESOLVED, that any two of the Presidents, any Managing Director, any Senior Vice President, any Vice President, any Assistant Vice President, the Secretary or any Assistant Secretary be, and each or any of them hereby is authorized to execute a Power of Attorney qualifying the attorney named in the given Power of Attorney to execute on behalf of the Company bonds, undertakings and all contracts of surety, and that each or any of them hereby is authorized to attest to the execution of any such Power of Attorney and to attach therein the seal of the Company; and it is

FURTHER RESOLVED, that the signature of such officers and the seal of the Company may be affixed to any such Power of Attorney or to any certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be binding upon the Company when so affixed and in the future with regard to any bond, undertaking or contract of surety to which it is attached."



By [Signature]
Steven P. Anderson, Senior Vice President of Washington International Insurance Company
& Senior Vice President of North American Specialty Insurance Company



By [Signature]
Michael A. Ito, Senior Vice President of Washington International Insurance Company
& Senior Vice President of North American Specialty Insurance Company

IN WITNESS WHEREOF, North American Specialty Insurance Company and Washington International Insurance Company have caused their official seals to be hereunto affixed, and these presents to be signed by their authorized officers this 18th day of November, 2014.

North American Specialty Insurance Company
Washington International Insurance Company

State of Illinois
County of Cook ss:

On this 18th day of November, 2014, before me, a Notary Public personally appeared Steven P. Anderson, Senior Vice President of Washington International Insurance Company and Senior Vice President of North American Specialty Insurance Company and Michael A. Ito, Senior Vice President of Washington International Insurance Company and Senior Vice President of North American Specialty Insurance Company, personally known to me, who being by me duly sworn, acknowledged that they signed the above Power of Attorney as officers of and acknowledged said instrument to be the voluntary act and deed of their respective companies.



[Signature]
M. Kenny, Notary Public

I, Jeffrey Goldberg, the duly elected Assistant Secretary of North American Specialty Insurance Company and Washington International Insurance Company, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney given by said North American Specialty Insurance Company and Washington International Insurance Company, which is still in full force and effect.

IN WITNESS WHEREOF, I have set my hand and affixed the seals of the Companies this 5th day of October, 2015.

[Signature]
Jeffrey Goldberg, Vice President & Assistant Secretary of
Washington International Insurance Company & North American Specialty Insurance Company



CERTIFICATE OF LIABILITY INSURANCE

H&HPL-1

OP ID: V2

DATE (MM/DD/YYYY)

10/06/2015

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER RICH & CARTMILL - OKC 1608 NW Expressway, Suite 100 OKLAHOMA CITY, OK 73118 Travis E Brown	CONTACT NAME: Vivian Dodson PHONE (A/C, No, Ext): 405-418-8622 E-MAIL ADDRESS: vdodson@rcins.com	FAX (A/C, No): 405-418-8641													
	<table border="1"> <thead> <tr> <th>INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> </thead> <tbody> <tr> <td>INSURER A: Valley Forge Ins Co.</td> <td>20508</td> </tr> <tr> <td>INSURER B: Continental Insurance</td> <td>35289</td> </tr> <tr> <td>INSURER C: Continental Casualty Co</td> <td>20443</td> </tr> <tr> <td>INSURER D:</td> <td></td> </tr> <tr> <td>INSURER E:</td> <td></td> </tr> <tr> <td>INSURER F:</td> <td></td> </tr> </tbody> </table>		INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A: Valley Forge Ins Co.	20508	INSURER B: Continental Insurance	35289	INSURER C: Continental Casualty Co	20443	INSURER D:		INSURER E:		INSURER F:
INSURER(S) AFFORDING COVERAGE	NAIC #														
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INSURER E:															
INSURER F:															
INSURED H & H Plumbing & Utilities, Inc. 266 Industrial Blvd. Goldsby, OK 73093-9116															


COVERAGES**CERTIFICATE NUMBER:****REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL/SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR		C 5099209605	01/01/2015	01/01/2016	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input type="checkbox"/> LOC					
B	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS	<input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	C 5099209586	01/01/2015	01/01/2016	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (PER ACCIDENT) \$
	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 10,000					
A	<input checked="" type="checkbox"/> WORKERS COMPENSATION AND EMPLOYERS' LIABILITY <input type="checkbox"/> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N <input checked="" type="checkbox"/> N	WC 5099209569	01/01/2015	01/01/2016	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
	<input checked="" type="checkbox"/> Equipment Floater <input checked="" type="checkbox"/> Installation		C 5099209605 C 5099209605	01/01/2015 01/01/2015	01/01/2016 01/01/2016	Rented 650,000 Installed 250,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
 Re: The Boulevard at Oakwood East, SE 15th Street & Westminster Road,
 Midwest City, OK
 Project: Public Storm Sewer

CERTIFICATE HOLDER**CANCELLATION**

CITYOFM City of Midwest City 100 N Midwest City Midwest City, OK 73110	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
--	---

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Lic. No.
OK 02653

H & H Plumbing & Utilities, Inc.

266 Industrial Blvd. Goldsby, OK 73093-9116
(405) 288-2346 (405) 288-2349 FAX

Sheet (1) of (1)

Contractor: N.E. Construction, LLP Ph.#: 972-221-0095 Project: The Boulevard at Oakwood East
Address: 420 Southfork Dr. Fax #: 972-221-0098 Address: SE 15th Street & Westminster Rd
Lewisville, TX 75057 Email: znoori@neconstruction.net Midwest City, OK

Labor, materials, taxes, permits, staking, and maintenance bonds for a complete **Public Storm Sewer** installation as described on the plans and outlined below.

ITEM #	ITEM	UNIT	Qty	PRICE	TOTAL
1	36" RCP storm pipe	LF	217	90.00	19,530.00
2	30" RCP storm pipe	LF	36	75.00	2,700.00
3	24" RCP storm pipe	LF	57	60.00	3,420.00
4	18" RCP storm pipe	LF	64	50.00	3,200.00
5	36" Concrete slope wall	EA	1	2,800.00	2,800.00
6	24" Concrete slope wall	EA	2	2,000.00	4,000.00
7	18" Concrete slope wall	EA	2	1,200.00	2,400.00
8	4' x 4' Grated box inlet	EA	1	3,800.00	3,800.00
9	Rock bedding & backfill	TONS	180	40.00	7,200.00
10	8" Rip rap with filter fabric	SY	120	70.00	8,400.00
					57,450.00
	Inspection fees				1,149.00
	Maintenance bonds				100.00
					58,699.00

Submitted By: *Carl Hendrix*
Accepted By: _____

Contract Amount **\$ 58,699.00**
Title: Vice President Date: 10/2/2015
Title: _____ Date: _____

MAINTENANCE BOND

KNOW ALL BY THESE PRESENTS that we, H & H Plumbing & Utilities, Inc., as Principal, and North American Specialty Insurance Company, as Surety, are held and firmly bound unto the City of Midwest City, Oklahoma, a municipal corporation in the state of Oklahoma, in the full and just sum of Ten Thousand One Hundred Seven & 00/100 dollars (\$ 10,107.00), such sum being not less than ten percent (10%) of the total contract price to construct or install Sanitary Sewer to The Boulevard at Oakwood East (the "Improvement"), for a period of One (1) years after acceptance of the improvement by the City Council of the City of Midwest City (the "Maintenance Period"), for the payment of which, well and truly to be made, we, and each of us, bind ourselves, our heirs, executors and assigns, jointly and severally, firmly by these presents:

The conditions of this obligation are such that the Principal has by a certain contract between the Principal and N.E. Construction, LLP, dated the 5th day of October, 20 15, agreed to construct or install the improvement in the city of Midwest City and to maintain the improvement against any failures due to defective materials or workmanship during the Maintenance Period.

NOW, THEREFORE, if the Principal, during the Maintenance Period, shall maintain the improvement against any failures due to defective materials or workmanship, then this obligation shall be void; otherwise it shall remain in full force and effect.

It is further agreed that if the Principal or the Surety shall fail to maintain the improvement against any failures due to defective materials or workmanship for the Maintenance Period, and at any time repairs shall be necessary, that the cost of making the repairs shall be determined by the City Council of the City of Midwest City, or some person or persons designated by them to ascertain the cost of making the repairs. If, upon thirty (30) days notice, the Principal or the Surety do not make the repairs or pay the amount necessary to make the repairs, the amount necessary to make the repairs shall be due upon the expiration of thirty (30) days, and suit may be instituted to obtain the amount necessary to make the repairs and shall be conclusive upon the parties as to the amount due on this bond to make the repairs, and that the cost of all repairs shall be so determined from time to time during the Maintenance Period, as the condition of the improvement may require.

Signed, sealed and delivered this 5th day of October, 20 15.

H & H Plumbing & Utilities, Inc.
Principal

ATTEST:
[Signature]
Secretary

By [Signature]

North American Specialty Insurance Company
Surety

ATTEST:
[Signature]
Secretary

By [Signature]
Deborah L. Raper, Attorney-in-Fact

APPROVED as to form and legality this _____ day of _____, 20 _____.

City Attorney

ACCEPTED by the City Council of the City of Midwest City this _____ day of _____.

NAS SURETY GROUP

NORTH AMERICAN SPECIALTY INSURANCE COMPANY
WASHINGTON INTERNATIONAL INSURANCE COMPANY

GENERAL POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, THAT North American Specialty Insurance Company, a corporation duly organized and existing under laws of the State of New Hampshire, and having its principal office in the City of Manchester, New Hampshire, and Washington International Insurance Company, a corporation organized and existing under the laws of the State of New Hampshire and having its principal office in the City of Schaumburg, Illinois, each does hereby make, constitute and appoint:

JOHN K. DEER, VAUGHN P. GRAHAM, VAUGHN P. GRAHAM, JR., STEPHEN M. POLEMAN, SUSANNE CUSIMANO
TRAVIS E. BROWN, DEBORAH L. RAPER, JAMIE BURRIS, SHELLI R. SAMSEL, ROBBIE LOYD, and MARK D. NOWELL

JOINTLY OR SEVERALLY

Its true and lawful Attorney(s)-in-Fact, to make, execute, seal and deliver, for and on its behalf and as its act and deed, bonds or other writings obligatory in the nature of a bond on behalf of each of said Companies, as surety, on contracts of suretyship as are or may be required or permitted by law, regulation, contract or otherwise, provided that no bond or undertaking or contract or suretyship executed under this authority shall exceed the amount of:

FIFTY MILLION (\$50,000,000.00) DOLLARS

This Power of Attorney is granted and is signed by facsimile under and by the authority of the following Resolutions adopted by the Boards of Directors of both North American Specialty Insurance Company and Washington International Insurance Company at meetings duly called and held on the 9th of May, 2012:

"RESOLVED, that any two of the Presidents, any Managing Director, any Senior Vice President, any Vice President, any Assistant Vice President, the Secretary or any Assistant Secretary be, and each or any of them hereby is authorized to execute a Power of Attorney qualifying the attorney named in the given Power of Attorney to execute on behalf of the Company bonds, undertakings and all contracts of surety, and that each or any of them hereby is authorized to attest to the execution of any such Power of Attorney and to attach therein the seal of the Company; and it is

FURTHER RESOLVED, that the signature of such officers and the seal of the Company may be affixed to any such Power of Attorney or to any certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be binding upon the Company when so affixed and in the future with regard to any bond, undertaking or contract of surety to which it is attached."



By [Signature]
Steven P. Anderson, Senior Vice President of Washington International Insurance Company
& Senior Vice President of North American Specialty Insurance Company



By [Signature]
Michael A. Ito, Senior Vice President of Washington International Insurance Company
& Senior Vice President of North American Specialty Insurance Company

IN WITNESS WHEREOF, North American Specialty Insurance Company and Washington International Insurance Company have caused their official seals to be hereunto affixed, and these presents to be signed by their authorized officers this 18th day of November, 2014.

North American Specialty Insurance Company
Washington International Insurance Company

State of Illinois
County of Cook ss:

On this 18th day of November, 2014, before me, a Notary Public personally appeared Steven P. Anderson, Senior Vice President of Washington International Insurance Company and Senior Vice President of North American Specialty Insurance Company and Michael A. Ito, Senior Vice President of Washington International Insurance Company and Senior Vice President of North American Specialty Insurance Company, personally known to me, who being by me duly sworn, acknowledged that they signed the above Power of Attorney as officers of and acknowledged said instrument to be the voluntary act and deed of their respective companies.



[Signature]
M. Kenny, Notary Public

I, Jeffrey Goldberg, the duly elected Assistant Secretary of North American Specialty Insurance Company and Washington International Insurance Company, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney given by said North American Specialty Insurance Company and Washington International Insurance Company, which is still in full force and effect.

IN WITNESS WHEREOF, I have set my hand and affixed the seals of the Companies this 5th day of October, 2015.

[Signature]
Jeffrey Goldberg, Vice President & Assistant Secretary of
Washington International Insurance Company & North American Specialty Insurance Company



CERTIFICATE OF LIABILITY INSURANCE

H&HPL-1

OP ID: V2

DATE (MM/DD/YYYY)
10/06/2015

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER RICH & CARTMILL - OKC 1608 NW Expressway, Suite 100 OKLAHOMA CITY, OK 73118 Travis E Brown	CONTACT NAME: Vivian Dodson PHONE (A/C, No, Ext): 405-418-8622 E-MAIL ADDRESS: vdodson@rcins.com	FAX (A/C, No): 405-418-8641	
	INSURER(S) AFFORDING COVERAGE		
INSURED H & H Plumbing & Utilities, Inc. 266 Industrial Blvd. Goldsby, OK 73093-9116	INSURER A: Valley Forge Ins Co.		NAIC # 20508
	INSURER B: Continental Insurance		35289
	INSURER C: Continental Casualty Co		20443
	INSURER D:		
	INSURER E:		
	INSURER F:		

COVERAGES**CERTIFICATE NUMBER:****REVISION NUMBER:**

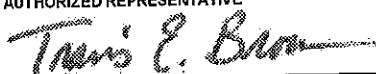
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY			C 5099209605	01/01/2015	01/01/2016	EACH OCCURRENCE \$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR						MED EXP (Any one person) \$ 5,000
							PERSONAL & ADV INJURY \$ 1,000,000
							GENERAL AGGREGATE \$ 2,000,000
							PRODUCTS - COMP/OP AGG \$ 2,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						\$
	<input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input type="checkbox"/> LOC						\$
B	AUTOMOBILE LIABILITY			C 5099209586	01/01/2015	01/01/2016	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
	<input checked="" type="checkbox"/> ANY AUTO						BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS	<input type="checkbox"/> SCHEDULED AUTOS					BODILY INJURY (Per accident) \$
	<input checked="" type="checkbox"/> HIRED AUTOS	<input checked="" type="checkbox"/> NON-OWNED AUTOS					PROPERTY DAMAGE (PER ACCIDENT) \$
							\$
C	UMBRELLA LIAB			C 5099209572	01/01/2015	01/01/2016	EACH OCCURRENCE \$ 5,000,000
	<input checked="" type="checkbox"/> EXCESS LIAB	<input checked="" type="checkbox"/> OCCUR					AGGREGATE \$ 5,000,000
	<input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 10,000						\$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY			WC 5099209569	01/01/2015	01/01/2016	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	Y/N	N/A				E.L. EACH ACCIDENT \$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE \$ 1,000,000
							E.L. DISEASE - POLICY LIMIT \$ 1,000,000
A	Equipment Floater			C 5099209605	01/01/2015	01/01/2016	Rented 650,000
A	Installation			C 5099209605	01/01/2015	01/01/2016	Installed 250,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Re: The Boulevard at Oakwood East, SE 15th Street & Westminster Road,
Midwest City, OK
Project: Public Sanitary Sewer

CERTIFICATE HOLDER**CANCELLATION**

CITYOFM City of Midwest City 100 N Midwest City Midwest City, OK 73110	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
--	---

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Lic. No.
OK 02653

H & H Plumbing & Utilities, Inc.

266 Industrial Blvd. Goldsby, OK 73093-9116
(405) 288-2346 (405) 288-2349 FAX

Sheet (1) of (1)

Contractor: N.E. Construction, LLP
Address: 420 Southfork Dr.
Lewisville, TX 75057


Ph.#: 972-221-0095
Fax #: 972-221-0098
Email: znoori@neconstruction.net

Project: The Boulevard at Oakwood East
Address: SE 15th Street & Westminster Rd
Midwest City, OK

Labor, materials, taxes, permits, staking, and maintenance bonds for a complete **Public Sanitary Sewer** installation as described on the plans and outlined below.

Public Sanitary Sewer

ITEM #	ITEM	UNIT	Qty	PRICE	TOTAL
1	8" SDR 35 PVC sewer pipe	LF	1300	12.00	15,600.00
2	4' Diameter manholes	EA	7	1,700.00	11,900.00
3	Extra depth manhole wall	VF	21	170.00	3,570.00
4	Concrete encasement	LF	40	50.00	2,000.00
5	8" Connection to existing manhole	EA	1	900.00	900.00
6	8" x 6" Wye with riser pipe	EA	2	150.00	300.00
7	Rock bedding & backfill	TONS	980	40.00	39,200.00
8	Trenching (0 - 13')	LF	1300	20.00	26,000.00
9	Deflection test	LS	1	800.00	800.00
10	Pressure test	LS	1	800.00	800.00
					101,070.00
	Inspection fees				2,021.40
	Maintenance bonds				100.00
					103,191.40

Submitted By: 

Title: Vice President Contract Amount \$ 103,191.40
Date: 10/5/2015

Accepted By: _____

Title: _____ Date: _____

MAINTENANCE BOND

KNOW ALL BY THESE PRESENTS that we, H & H Plumbing & Utilities, Inc., as Principal, and North American Specialty Insurance Company, as Surety, are held and firmly bound unto the City of Midwest City, Oklahoma, a municipal corporation in the state of Oklahoma, in the full and just sum of Nineteen Thousand Six Hundred Seventeen & 46/100 dollars (\$ 19,617.46), such sum being not less than ten percent (10%) of the total contract price to construct or install Water Line to The Boulevard at Oakwood East (the "Improvement"), for a period of One (1) years after acceptance of the improvement by the City Council of the City of Midwest City (the "Maintenance Period"), for the payment of which, well and truly to be made, we, and each of us, bind ourselves, our heirs, executors and assigns, jointly and severally, firmly by these presents:

The conditions of this obligation are such that the Principal has by a certain contract between the Principal and N.E. Construction, LLP, dated the 5th day of October, 20 15, agreed to construct or install the Improvement in the city of Midwest City and to maintain the Improvement against any failures due to defective materials or workmanship during the Maintenance Period.

NOW, THEREFORE, if the Principal, during the Maintenance Period, shall maintain the Improvement against any failures due to defective materials or workmanship, then this obligation shall be void; otherwise it shall remain in full force and effect.

It is further agreed that if the Principal or the Surety shall fail to maintain the improvement against any failures due to defective materials or workmanship for the Maintenance Period, and at any time repairs shall be necessary, that the cost of making the repairs shall be determined by the City Council of the City of Midwest City, or some person or persons designated by them to ascertain the cost of making the repairs. If, upon thirty (30) days notice, the Principal or the Surety do not make the repairs or pay the amount necessary to make the repairs, the amount necessary to make the repairs shall be due upon the expiration of thirty (30) days, and suit may be instituted to obtain the amount necessary to make the repairs and shall be conclusive upon the parties as to the amount due on this bond to make the repairs, and that the cost of all repairs shall be so determined from time to time during the Maintenance Period, as the condition of the Improvement may require.

Signed, sealed and delivered this 5th day of October, 20 15.

H & H Plumbing & Utilities, Inc.
Principal

ATTEST:
[Signature]
Secretary

By [Signature]

North American Specialty Insurance Company
Surety

ATTEST:
[Signature]
Secretary

By [Signature]
Deborah L. Raper, Attorney-in-Fact

APPROVED as to form and legality this _____ day of _____, 20____.

City Attorney

ACCEPTED by the City Council of the City of Midwest City this _____ day of _____,

NAS SURETY GROUP

NORTH AMERICAN SPECIALTY INSURANCE COMPANY
WASHINGTON INTERNATIONAL INSURANCE COMPANY

GENERAL POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, THAT North American Specialty Insurance Company, a corporation duly organized and existing under laws of the State of New Hampshire, and having its principal office in the City of Manchester, New Hampshire, and Washington International Insurance Company, a corporation organized and existing under the laws of the State of New Hampshire and having its principal office in the City of Schaumburg, Illinois, each does hereby make, constitute and appoint:

JOHN K. DEER, VAUGHN P. GRAHAM, VAUGHN P. GRAHAM, JR., STEPHEN M. POLEMAN, SUSANNE CUSIMANO
TRAVIS E. BROWN, DEBORAH L. RAPER, JAMIE BURRIS, SHELLI R. SAMSEL, ROBBIE LOYD, and MARK D. NOWELL

JOINTLY OR SEVERALLY

Its true and lawful Attorney(s)-in-Fact, to make, execute, seal and deliver, for and on its behalf and as its act and deed, bonds or other writings obligatory in the nature of a bond on behalf of each of said Companies, as surety, on contracts of suretyship as are or may be required or permitted by law, regulation, contract or otherwise, provided that no bond or undertaking or contract or suretyship executed under this authority shall exceed the amount of:

FIFTY MILLION (\$50,000,000.00) DOLLARS

This Power of Attorney is granted and is signed by facsimile under and by the authority of the following Resolutions adopted by the Boards of Directors of both North American Specialty Insurance Company and Washington International Insurance Company at meetings duly called and held on the 9th of May, 2012:

"RESOLVED, that any two of the Presidents, any Managing Director, any Senior Vice President, any Vice President, any Assistant Vice President, the Secretary or any Assistant Secretary be, and each or any of them hereby is authorized to execute a Power of Attorney qualifying the attorney named in the given Power of Attorney to execute on behalf of the Company bonds, undertakings and all contracts of surety, and that each or any of them hereby is authorized to attest to the execution of any such Power of Attorney and to attach therein the seal of the Company; and it is

FURTHER RESOLVED, that the signature of such officers and the seal of the Company may be affixed to any such Power of Attorney or to any certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be binding upon the Company when so affixed and in the future with regard to any bond, undertaking or contract of surety to which it is attached."



By [Signature]
Steven P. Anderson, Senior Vice President of Washington International Insurance Company
& Senior Vice President of North American Specialty Insurance Company



By [Signature]
Michael A. Ito, Senior Vice President of Washington International Insurance Company
& Senior Vice President of North American Specialty Insurance Company

IN WITNESS WHEREOF, North American Specialty Insurance Company and Washington International Insurance Company have caused their official seals to be hereunto affixed, and these presents to be signed by their authorized officers this 18th day of November, 2014.

North American Specialty Insurance Company
Washington International Insurance Company

State of Illinois
County of Cook ss:

On this 18th day of November, 2014, before me, a Notary Public personally appeared Steven P. Anderson, Senior Vice President of Washington International Insurance Company and Senior Vice President of North American Specialty Insurance Company and Michael A. Ito, Senior Vice President of Washington International Insurance Company and Senior Vice President of North American Specialty Insurance Company, personally known to me, who being by me duly sworn, acknowledged that they signed the above Power of Attorney as officers of and acknowledged said instrument to be the voluntary act and deed of their respective companies.



M. Kenny, Notary Public

I, Jeffrey Goldberg, the duly elected Assistant Secretary of North American Specialty Insurance Company and Washington International Insurance Company, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney given by said North American Specialty Insurance Company and Washington International Insurance Company, which is still in full force and effect.

IN WITNESS WHEREOF, I have set my hand and affixed the seals of the Companies this 5th day of October, 2015.

Jeffrey Goldberg, Vice President & Assistant Secretary of
Washington International Insurance Company & North American Specialty Insurance Company



CERTIFICATE OF LIABILITY INSURANCE

H&HPL-1

OP ID: V2

DATE (MM/DD/YYYY)

10/06/2015

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER RICH & CARTMILL - OKC 1608 NW Expressway, Suite 100 OKLAHOMA CITY, OK 73118 Travis E Brown	CONTACT NAME: Vivian Dodson PHONE (A/C, No, Ext): 405-418-8622 E-MAIL ADDRESS: vdodson@rcins.com	FAX (A/C, No): 405-418-8641	
	INSURER(S) AFFORDING COVERAGE		NAIC #
INSURED H & H Plumbing & Utilities, Inc. 266 Industrial Blvd. Goldsby, OK 73093-9116	INSURER A: Valley Forge Ins Co.		20508
	INSURER B: Continental Insurance		35289
	INSURER C: Continental Casualty Co		20443
	INSURER D:		
	INSURER E:		
INSURER F:			

COVERAGES**CERTIFICATE NUMBER:****REVISION NUMBER:**


THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY		C 5099209605	01/01/2015	01/01/2016	EACH OCCURRENCE \$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input type="checkbox"/> LOC					DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMPOP AGG \$ 2,000,000
B	AUTOMOBILE LIABILITY		C 5099209586	01/01/2015	01/01/2016	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
	<input checked="" type="checkbox"/> ANY AUTO ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS NON-OWNED AUTOS					BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (PER ACCIDENT) \$
C	UMBRELLA LIAB		C 5099209572	01/01/2015	01/01/2016	EACH OCCURRENCE \$ 5,000,000
	<input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 10,000	<input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE				AGGREGATE \$ 5,000,000
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY		WC 5099209569	01/01/2015	01/01/2016	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N <input type="checkbox"/> Y <input checked="" type="checkbox"/> N				E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
A	Equipment Floater		C 5099209605	01/01/2015	01/01/2016	Rented 650,000
A	Installation		C 5099209605	01/01/2015	01/01/2016	Installed 250,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Re: The Boulevard at Oakwood East, SE 15th Street & Westminster Road,
 Midwest City, OK
 Project: Public Water Line

CERTIFICATE HOLDER**CANCELLATION**

CITYOFM City of Midwest City 100 N Midwest City Midwest City, OK 73110	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE 

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Lic. No.
OK 02653

H & H Plumbing & Utilities, Inc.
266 Industrial Blvd. Goldsby, OK 73093-9116
(405) 288-2346 (405) 288-2349 FAX

Sheet (1) of (1)

Contractor: N.E. Construction, LLP
Address: 420 Southfork Dr.
Lewisville, TX 75057

Ph.#: 972-221-0095
Fax #: 972-221-0098
Email: znoori@neconstruction.net

Project: The Boulevard at Oakwood East
Address: SE 15th Street & Westminster Rd
Midwest City, OK

Labor, materials, taxes, permits, staking, and maintenance bonds for a complete **Public Water Line** installation as described on the plans and outlined below.

Public Water Line

ITEM #	ITEM	UNIT	Qty	PRICE	TOTAL
1	8" C-900 DR14 Water line pipe	LF	1764	29.00	51,156.00
2	6" C-900 DR14 Water line pipe	LF	10	23.00	230.00
3	4" C-900 DR14 Water line pipe	LF	19	16.00	304.00
4	2" Poly water pipe	LF	528	14.06	7,423.68
5	8" Gate valve & box	EA	6	1,280.00	7,680.00
6	6" Gate valve & box	EA	7	960.00	6,720.00
7	4" Gate valve & box	EA	1	840.00	840.00
8	Fire hydrant with riser	EA	6	2,730.00	16,380.00
9	8" x 6" Reducer	EA	1	300.00	300.00
10	18" x 8" Tapping sleeve	EA	2	4,500.00	9,000.00
11	8" Tapping valve & box	EA	2	1,260.00	2,520.00
12	8" Wet tap	EA	2	800.00	1,600.00
13	8" x 8" x 8" Tee	EA	1	460.00	460.00
14	8" x 8" x 6" Tee	EA	5	440.00	2,200.00
15	8" x 8" x 4" Tee	EA	15	420.00	6,300.00
16	4" Water meter with box	EA	1	9,240.00	9,240.00
17	2" Water meter with box	EA	15	2,780.00	41,700.00
18	Fittings	EA	11	400.00	4,400.00
19	Tracer wire / ditch tape	LF	2321	1.00	2,321.00
20	Sand bedding	CY	340	20.00	6,800.00
21	Rock backfill	TONS	440	40.00	17,600.00
22	Chlorination & disinfection	LS	1	500.00	500.00
23	Pressure test	LS	1	500.00	500.00
					196,174.68
Inspection fees					3,923.49
Maintenance bonds					177.00
					200,275.17

Contract Amount \$ 200,275.17

Submitted By: Carl Hendrix

Title: Vice President

Date: 10/5/2015

Accepted By: _____

Title: _____

Date: _____

OWNER'S AFFIDAVIT OF ACCEPTANCE & CONTRACTOR'S LIEN WAIVER

PROJECT NAME: Boulevard at Oakwood East

PROJECT LOCATION: 11300 Southeast 15th Street

TYPE OF CONSTRUCTION: Multi-Family New Construction

OWNER'S AFFIDAVIT OF ACCEPTANCE

I, the undersigned, hereby certify that the above construction was performed in an acceptable manner satisfactory to the owner of the above project and certify the cost of such project is \$ 362,165.57 less the City of Midwest City, Engineering Division Inspection Fees.

By _____

OWNER

Date: 10/3/2016

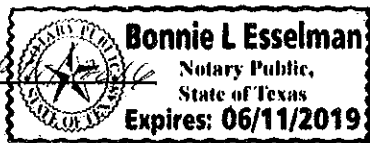
STATE OF Texas)

)ss.

COUNTY OF Denton)

Before me, the undersigned Notary Public in and for the state and county aforesaid, on this 3rd day of October, 2016, personally appeared Charles Nicholas, to me known to be the identical person(s) who executed the within and foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed for the uses and purposes herein set forth.

My Commission expires: 06/11/2019



NOTARY PUBLIC

CONTRACTOR'S LIEN WAIVER

This is to certify that all expenditures for labor and material for the construction of the above project has been paid. We, the undersigned, do here by waive and release all of our rights, claims and lien rights against this installation and improvements so constructed.

By _____

CONTRACTOR

Date: 10/3/2016

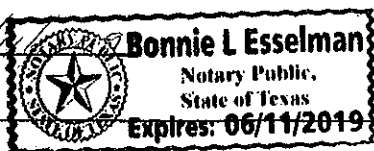
STATE OF Texas)

)ss.

COUNTY OF Denton)

Before me, the undersigned Notary Public in and for the state and county aforesaid, on this 3rd day of October, 2016, personally appeared Andie Nicholas, to me known to be the identical person(s) who executed the within and foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed for the uses and purposes herein set forth.

My Commission expires: 06/11/2019



NOTARY PUBLIC



The City of MIDWEST CITY

COMMUNITY DEVELOPMENT DEPARTMENT
William Harless, Community Development Director
Patrick Menefee, City Engineer

BUILDING INSPECTION DIVISION
Charles Belk, Building Official
ENGINEERING DIVISION
Patrick Menefee, City Engineer
G.I.S. DIVISION
Kathy Spivey, Manager

TO: Honorable Mayor and City Council

FROM: Patrick Menefee, P.E., City Engineer

DATE: February 14, 2017

SUBJECT: Discussion and consideration of accepting a grant of Permanent Sanitary Sewer Easement from Hudiburg Real Estate Partners L.L.C., across a certain parcel of land located within the corporate boundaries of Midwest City in the Southwest Quarter (SW/4) of Section Nine (9) Township Eleven (11) North Range Two (2) West of the Indian Meridian, in Midwest City, Oklahoma County, Oklahoma.

Acquisition of the property is needed in connection with replacement of a sanitary sewer line located at 5800 Tinker Diagonal.

Staff recommends approval.

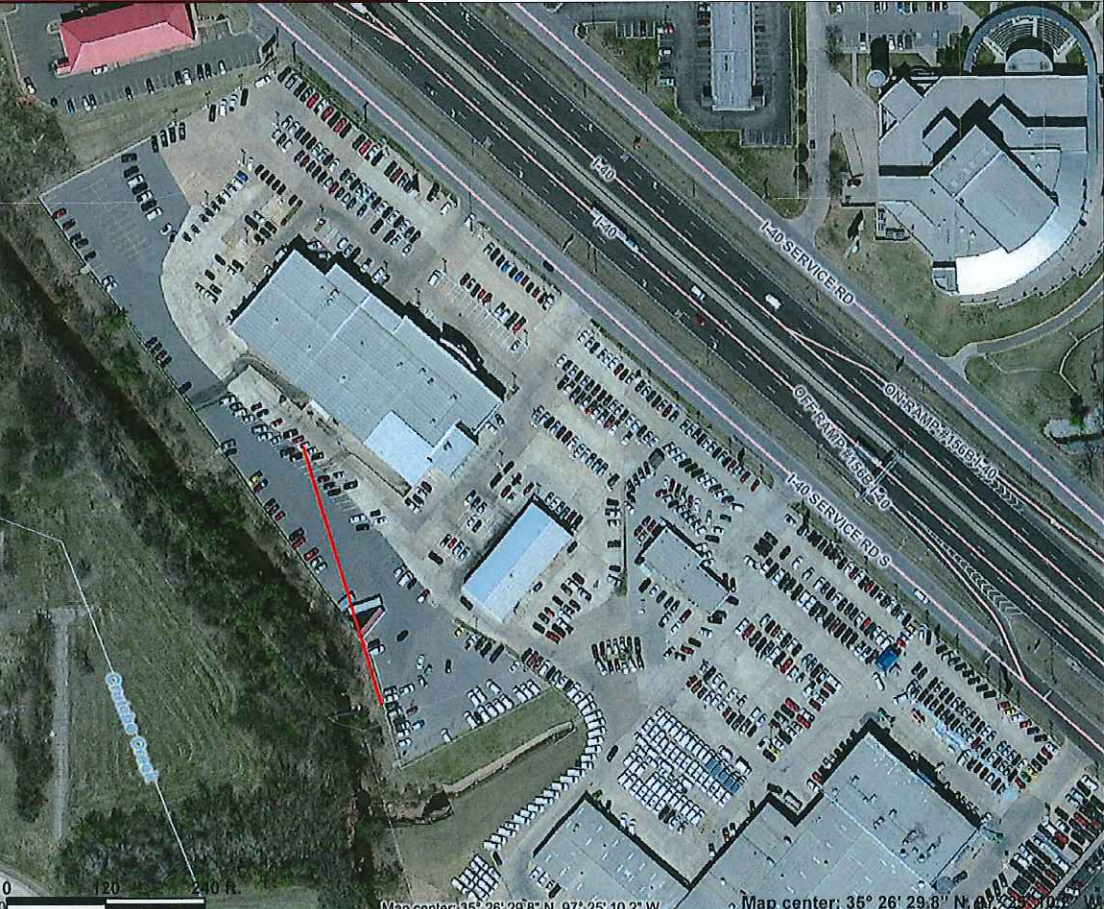
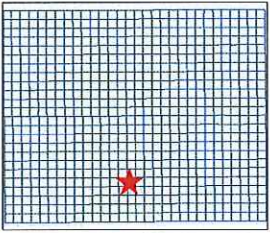
Patrick Menefee, P.E.
City Engineer

Attachments



Leonard Sullivan Oklahoma County Assessor
ONLINE MAPPING

Proposed Hudiburg Sanitary Sewer Easement



- Legend**
- Sections
 - Streets
 - Parcels
 - North Canadian River
 - Rivers & Creeks
 - Lakes
 - Aerials (flown Feb 28th - March 23rd, 2011)
 - County Background

Scale: 1:2,054

This map is a user generated static output from an Internet mapping site and is for general reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable. THIS MAP IS NOT TO BE USED FOR NAVIGATION.



EXHIBIT A

A part of the property described as:

A 5.75 acre tract shown as Oklahoma County Assessor number 151398505 being more fully described as a part of the Southwest Quarter (SW/4) of Section 9, Township Eleven (11) North Range Two (2) West of the Indian Meridian, in Oklahoma County, Oklahoma;

Beginning at a point 561.76 feet East of the Northwest Corner (NW/C) of the Southwest Quarter (SW/4); thence East 542.2 feet; thence Southeasterly 380.19 feet; thence Southwesterly 113.34 feet; thence South 175.75 feet; thence Southwesterly 346.49 feet; thence Northerly 25.08 feet; thence Northwesterly 690.03 feet to the point of beginning; PLUS part of Lot 36 Block 1 Aviation Acres being 73.72 feet on the West 111.16 feet on the Northeast and 83.02 feet on the South in the Southwest Corner (SW/C); PLUS part of Lot 37 Block 1 Aviation Acres beginning 732.38 feet East of the Southwest Corner (SW/C) of the Northwest Quarter (NW/4) of said Section 9; thence East 297.62 feet; thence North 73.72 feet; thence Southwesterly 306.66 feet to the point of beginning.

Being a **Fifteen Foot (15') Sanitary Sewer Easement** located Seven and one half feet (7.5') either side of a line described as follows:

Beginning at a manhole that is located approximately Two Hundred Seventeen feet (217') East of the West line and Three Hundred Forty Seven feet (347') South of the North Line of the property described above AND continuing Southeasterly approximately Three Hundred and Thirty feet (330') to a manhole located in the Southeast Corner (SE/C) of the property described above, to the point of ending.



The City of
MIDWEST CITY
COMMUNITY DEVELOPMENT DEPARTMENT -
ENGINEERING DIVISION

Billy Harless, Community Development Director
Patrick Menefee, P.E., City Engineer

ENGINEERING DIVISION
Patrick Menefee, City Engineer
CURRENT PLANNING DIVISION
Kellie Gilles, Manager
COMPREHENSIVE PLANNING
Julie Shannon, Comprehensive Planner
BUILDING INSPECTION DIVISION
Charles Belk, Building Official
GIS DIVISION
Kathy Spivey, GIS Coordinator

To: Honorable Mayor and Council

From: Patrick Menefee, P.E., City Engineer

Date: February 14th, 2017

Subject: Discussion and consideration of approving and entering into an engineering contract funding agreement for Federal-aid Project Number J3-1480(046)ST, State Job Number 31480(46), with the Oklahoma Department of Transportation to receive federal funds in the amount of \$16,852.00 for the design of the Eastside (now the Midwest City) Elementary School trail extension.

The federal funds were granted through the Safe Routes to School Program to design and construct the Eastside (now the Midwest City) Elementary School trail. The trail will be a multi-use trail along the south side of Midwest City Elementary School extending from Key Boulevard to Midwest Boulevard. The preliminary estimate for the design cost is \$21,065.00. This project will be funded by 80% federal funds, 20% local match. The city will be required to contribute \$4,213.00 to ODOT to cover design costs as required with the 20% local match provision. The City entered into a design agreement with R.L. Shears Company on April 28th, 2015 to generate the engineering construction plans.

Staff recommends approval.

Patrick Menefee, P.E.,
City Engineer

Attachments

**ENGINEERING CONTRACT FUNDING AGREEMENT
BETWEEN
THE CITY OF MIDWEST CITY
AND
THE OKLAHOMA DEPARTMENT OF TRANSPORTATION
FOR ENGINEERING SERVICES INVOLVING
CITY OF MIDWEST EASTSIDE ELEM. SCH.**

This agreement, made the day and year last written below, by and between the City of Midwest City, hereinafter referred to as the CITY, and the Department of Transportation of the State of Oklahoma, hereinafter referred to as the DEPARTMENT, is for the following intents and purposes and subject to the following terms and conditions, to wit:

WHEREAS, the OKLAHOMA DEPARTMENT OF TRANSPORTATION, ODOT, has authorized the expenditure of allocated federal STP funds toward the engineering of an eligible improvement for the CITY, specifically described as follows:

Design Engineering Services

Project Type	Div	County	JP No	Project No.	Work Type	Description	Fiscal Year	Federal Amt.	Total Amt.
CITY STREET	4	OK	31480(46)	J3 -1480 (046) ST	PEDESTRIAN IMPROVEMENTS	SRS - EASTSIDE ELEM. SCH. INFRASTRUCTURE(PE FOR 31480(26))	2018	\$16,852	\$21,065

WHEREAS, the CITY requests authorization to contract for the described engineering services with **R.L. SHEARS COMPANY, P.C.** Professional Cooperation and a qualified consultant.

WHEREAS, the DEPARTMENT is of the opinion that the CITY is capable of administering the described engineering contract in a satisfactory manner;

NOW, THEREFORE, it is mutually agreed by the CITY and the DEPARTMENT that:

- 1) The CITY agrees to provide to the DEPARTMENT a fully executed, negotiated engineering contract by and between the CITY and the consulting engineer for the described engineering services. Said agreement shall include and encompass all current applicable Federal Highway Administration Contract Provisions.
- 2) The CITY agrees to comply with the DEPARTMENT’S current Guidelines for the Administration of Consultant Contracts, and hereby certifies that this engineering contract has been executed in full compliance with the aforementioned policy.
- 3) The CITY agrees to administer the execution of the engineering contract, and to submit the necessary certifications and DEPARTMENT claim forms for progress payments as designated within the specific engineering contract.
- 4) Based on an negotiated COST PLUS not to exceed contract amount of *Twenty-One-Thousand-Sixty-Five-Dollars (\$21,065)*, it is agreed the project referenced above will be financed as follows

in Paragraphs 5 and 6 below:

- 5) Federal STP funds shall be used to finance 80% of the federally participating engineering costs of ***Sixteen-Thousand-Eight-Hundred-Fifty-Two-Dollars (\$16,852)***.
- 6) City funds provided by the City shall be provided to finance the balance of the eligible participating project engineering costs, estimated at ***Four-Thousand-Two-Hundred-Thirteen-Dollars (\$4,213)***, which shall be placed on deposit with the DEPARTMENT upon execution of this agreement.
- 7) The CITY shall be entirely responsible for the administration and completion of all work associated with this contract, through its consultant.
- 8) Progress payments will be made to the consultant by the DEPARTMENT upon receipt of a properly executed claim form, approved by the CITY, accompanied by suitable evidence of the completion of the work claimed, as detailed in the engineering contract.
- 9) It is further understood and agreed by the CITY that no State funds have been allocated towards this engineering contract.
- 10) The CITY agrees to hold the Federal Government and the DEPARTMENT harmless from, and shall process and defend at its own expense, all claims, demands, or suits, whether at law or equity brought against the CITY, the DEPARTMENT, or Federal Government, arising from the CITY's execution, performance, or failure to perform any of the provisions of this Agreement, or arising by reason of the participation of the DEPARTMENT or Federal Government in the project, PROVIDED, nothing herein shall require the CITY to reimburse the DEPARTMENT or Federal Government for damages arising out of bodily injury to persons or damage to property caused by or resulting from the sole negligence of the Federal Government or the DEPARTMENT.
- 11) When any alleged act, omission, negligence, or misconduct may be subject to the limitations, exemptions, or defenses which may be raised under the Governmental Tort Claims Act, 51 O.S. Sec. 151, et seq., all such limitations, exemptions, and defenses shall be available to and may be asserted by the CITY. No liability shall attach to the DEPARTMENT or Federal Government except as expressly provided herein.
- 12) The City agrees to comply with Title VI of the Civil Rights Act of 1964, 78 O.S. § 252.42, 42 U.S.C. §§ 200d et seq., and all requirements imposed by or pursuant to 49 CFR, Part 21, "Nondiscrimination in Federally Assisted Programs of the Department of Transportation – Effectuation of Title VI of the Civil Rights Act of 1964."

IN WITNESS WHEREOF, the Deputy Director of the Department of Transportation, pursuant to authority vested in him by the Transportation Commission, has hereunto subscribed his name and the CITY has executed same pursuant to authority prescribed by law.

The CITY on this ____ day of _____, _____, and the DEPARTMENT on the _____ day of _____, _____.

CITY OF MIDWEST CITY

APPROVED AS TO FORM AND LEGALITY

By _____
CITY ATTORNEY

By _____
MAYOR

By _____
ATTEST: CITY CLERK

(SEAL): Approved - City of MIDWEST

STATE OF OKLAHOMA
DEPARTMENT OF TRANSPORTATION

BY: LOCAL GOVERNMENT DIVISION

BY: DIRECTOR OF CAPITAL PROGRAMS

APPROVED AS TO FORM AND LEGALITY

APPROVED

BY: GENERAL COUNSEL

BY: DEPUTY DIRECTOR

OKLAHOMA DEPARTMENT OF TRANSPORTATION

INVOICE

Make check PAYABLE, and MAIL TO:

**Oklahoma Department of Transportation
Comptroller Division
200 N.E. 21st Street
Oklahoma City, Oklahoma 73105-3204**

To: The City of Midwest City

Department Invoice No 31480(46)
January 30, 2017

Project Type	Div	County	JP No	Project No.	Work Type	Description	Fiscal Year	Federal Amt.	Total Amt.
CITY STREET	4	OK	31480(46)	J3 -1480 (046) ST	PEDESTRIAN IMPROVEMENTS	SRS - EASTSIDE ELEM. SCH. INFRASTRUCTURE(PE FOR 31480(26))	2017	\$16,852	\$21,065

Description – Explanation of Charge	Quantity	Price Each	Total
Due Date: <u>Upon Receipt</u>			
Total Estimated Cost:			\$ 21,065.00
Less Federal Share			(\$ 16,852.00)
Less Sponsor Initial Deposit			(\$ 0,00.00)
Local Share Due			\$ 4,213.00
Accounting Use Only		Invoice Total	\$ 4,213.00

Distribution:

City
Remit with Payment
Division Project File
Comptroller Division



The City of
MIDWEST CITY
COMMUNITY DEVELOPMENT DEPARTMENT -
ENGINEERING DIVISION

Billy Harless, Community Development Director
Patrick Menefee, P.E., City Engineer

ENGINEERING DIVISION
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CURRENT PLANNING DIVISION
Kellie Gilles, Manager
COMPREHENSIVE PLANNING
Julie Shannon, Comprehensive Planner
BUILDING INSPECTION DIVISION
Charles Belk, Building Official
GIS DIVISION
Kathy Spivey, GIS Coordinator

To: Honorable Mayor and Council

From: Patrick Menefee, P.E., City Engineer

Date: February 14th, 2017

Subject: Discussion and consideration of entering into and approving an Agreement for Professional Surveying Services with Cedar Creek, Inc. in the amount of \$8,837.75 for a Topographic Survey of Reno Avenue from Midwest Boulevard to Douglas Boulevard.

The accompanying proposal is for surveying services to assist the design of engineered construction plans for the Reno Avenue from Midwest Boulevard to Douglas Boulevard roadway revitalization project. The funds for this project were designated in the 065 budget.

Staff recommends entering into the agreement.

Patrick Menefee, P.E.
City Engineer

Attachments

January 18, 2017

Patrick Menefee, City Engineer
Community Development Department
City of Midwest City
100 N Midwest Blvd
Midwest City, OK 73110



RE: Proposal to Provide Survey Services for the future federal aid resurfacing/sidewalk project at Reno Ave from Midwest Boulevard to N Blake Drive.

Dear Mr. Menefee,

As requested Cedar Creek Consultants, Inc., here after known as CCC, provides the following proposal for review and consideration by City of Midwest City (Client). This proposal is comprised of the following sections:

1. Project Criteria
 2. Project Prerequisites
 3. Defined Scope of Services
 4. Specific Exclusions from Defined Scope of Services
 5. Fees and Reimbursable Expenses
 6. General Terms and Conditions
-
1. PROJECT CRITERIA:
This project consists of providing a full topographic survey including ROW lines, utilities, and pertinent depth data at storm, sewer, and water lines.
 2. PROJECT PREREQUISITES
This proposal assumes that Client will furnish the following information with respect to the Project:
 - A. Deeds & Plats
 3. DEFINED SCOPE OF SERVICES
See Attached Exhibit A hereto. Each Task will be completed in accordance with a schedule approved by Client. Tasks are sometimes herein referred to as "Services".
 4. SPECIFIC EXCLUSIONS FROM DEFINED SCOPE OF SERVICES
 - A. All real estate activities are the responsibility of Client.
 - B. The specifications for or remediation of environmental concerns affecting the proposed site and the removal of and discovered hazardous materials in accordance with applicable local, state, and federal regulations are not part of the Defined Scope of Services.
 - C. Building Elevations for city or neighborhood approval process.
 - D. Preparation for and attendance at public hearings and/or dispute resolution proceedings.
 - E. Building design services, including architectural, structural, mechanical, electrical, plumbing and fire protection engineering services.
 - F. Record Drawings, as modified by the contractor in the field.

5. FEES AND REIMBURSABLE EXPENSES:

A. Fixed Fee for Defined Scope of Services:

A Fixed Fee amount of \$8,837.75 for the topographic survey. This amount includes compensation for Surveyor's and Engineer's Basic Services. The total Fixed Fee amount accounts for labor, overhead, and profit.

B. Additional Site Visits: The fee for required or requested site visits in excess of those provided for in the Defined Scope of Services will be billed on an hourly basis at the rates set forth in the attached General Terms and Conditions, plus Reimbursable Expenses.

C. Reimbursable Expenses: Reimbursable expenses are in addition to the fees outlined above and will be invoiced at a multiple of 1.15 times the expense incurred. Reimbursable expenses include travel, lodging, printing, and shipping.

D. Payment Terms:

- 1) Invoicing will be based on percentage of work complete and payment is due thirty (30) days from presentation of invoice.
- 2) Invoices not paid when due will bear interest from the due date at the rate of 18% per annum.

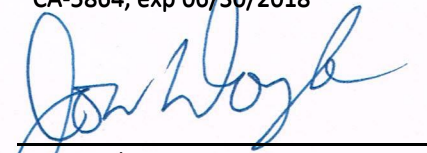
6. GENERAL TERMS AND CONDITIONS

The attached General Terms and Conditions are part of his proposal, as well as Exhibit "A" & "B"

This proposal supersedes all prior proposals and/or agreements between the parties, whether oral or in writing. If the foregoing is satisfactory, please print, date and sign this document in the space provided below and email back to me at jdoyle@cedarcreekinc.com. Receipt of this document with signature will constitute a formal contract between noted parties.

Sincerely,

Cedar Creek Consulting, Inc.
CA-5864, exp 06/30/2018



Jon Doyle, PE
405.778.3385

Via (e-mail)

By: _____
Authorized Signature

Date: _____

GENERAL TERMS AND CONDITIONS

1. MANNER OF PROVIDING SERVICES: CCC shall provide all Services set forth in the Proposal:
 - A. In accordance with professional standards of practice applicable to such Services prevailing in the jurisdiction of the Project Site.
 - B. In accordance with applicable laws, building codes, ordinances, rules and other regulations, including but not limited to those affecting the health, welfare, and safety of the public, duly promulgated by state and local governmental authorities having jurisdiction over the Project.
 - C. As expeditiously as is consistent with professional skill and care.

2. LIMITATIONS: The obligations of CCC to provide the Services set forth in the Proposal, and the responsibility of CCC for any such Services so provided shall be subject to the following limitations, conditions, qualifications, and exclusions:
 - A. Any construction cost estimates, budget evaluations, research and any other estimates or evaluations provided by CCC to the Client shall constitute only CCC's best judgment with respect to the subject thereof. CCC disclaims any warranties or representations that actual costs, budgets, etc. will be within or equal to the estimates or evaluations.
 - B. In any review by CCC of product data, samples, shop drawings, or other information submitted by the Client's contractors, CCC shall have no obligation to determine the accuracy, adequacy or completeness of construction details, construction methods, safety precaution or performance criteria. CCC's approval of any such submittals shall not constitute a determination of any such items. Such approval shall be an indicator by CCC of its belief that the Client's contractors understand the design concept of CCC's Construction Documents and have prepared all product data, samples, shop drawings, or other information in conformance with that design concept.
 - C. CCC shall be entitled to rely upon the accuracy and completeness of all reports, surveys, and information provided by the Client pursuant to this Proposal.
 - D. The Client shall bear all risk of the presence of any hazardous or toxic materials at or near the Project.
 - E. If the Project is permitted for construction based on construction documents supplied by CCC, the Client shall cause the Project to be construction in accordance with those construction documents.
 - F. CCC shall not have control over or charge of and shall not be responsible for any Project construction means, methods, techniques, sequences, procedures, or safety.
 - G. CCC shall not be responsible for the compliance with the requirements of applicable codes, ordinances, or laws by the Project construction contractor or by vendors for the Project.

3. ADDITIONAL SERVICES: Additions or changes to the Defined Scope of Services, the Design Criteria, or other changes or delays which impact the Defined Scope of Services may result in additional services, the fees for which shall be set by mutual agreement at the time such additions or changes are requested, or, absent such agreement, at the following hourly rates:

Project Engineer	\$100.00
Project Designer	\$ 75.00
Administrative Staff	\$ 50.00

4. CONFIDENTIALITY: CCC shall maintain the confidentiality of the location of potential and selected sites for the Project, together with any other information supplied to CCC by the Client and designated by the Client as confidential, except:
 - A. When such confidential information becomes generally known to the public through no fault of CCC; or
 - B. To comply with the order of a court of competent jurisdiction.

5. INSURANCE: Upon 10 days of execution of contract

6. OWNERSHIP AND USE OF DOCUMENTS: All drawings, specifications or other documents deliverable to the Client by CCC or its Consultants pursuant to this Proposal (“the Documents”), whether in electronic or non-electronic format, shall be the property of the Client, subject however, to the following:
 - A. All technology, skill, processes, knowledge, and computer software developed or acquired by CCC or its Consultants to manipulate the data which comprises the Documents shall be the property of CCC or, as applicable, its Consultants/
 - B. The client may modify CCC’s work without the consent or additional compensations to CCC; but in such event:
 - 1) The Client shall indemnify and hold CCC and, if applicable, its Consultants, harmless from all claims and liability which results from such reuse, including all costs and attorneys fee pursuant to City’s charter and ordinances; and
 - 2) The Client shall remove any reference to CCC or its Consultant’s name and/or logo on the documents.

EXHIBIT "A"

CONTRACT INCLUDES THE FOLLOWING:

1. Reno Avenue from Midwest Boulevard to N Blake Drive (**\$ 8,837.75**)
 - Begin at east side of Midwest Boulevard
 - End full survey at pavement joint near Village Oaks Dr. Continue north side back of curb to 10' east of Blake Dr.
 - Survey 20' back of ROW for gas station parking lot and west coachlight apt entrance
 - Back 30' on both sides of Towry Dr.
 - At park, go to South side of Sidewalk/Trail
 - Detail box culvert and railing, part of project will bring EX parapet and guardrail up to current standards.

CONTRACT DOES NOT INCLUDE THE FOLLOWING:

1. Reimbursable Expenses
2. Title Work
3. Construction Staking
4. Exhibits
5. Easement abandonment
6. Offsite information
7. Filing Fees



EXHIBIT "B"

- 1.) Prior to performing any of the services, CCC shall obtain and keep in force, at its sole expense, insurance and upon request shall provide to the Client within ten (10) business days of execution of this Agreement a copy of the certificate, binder, declarations page or other satisfactory evidence for such insurance.
- 2.) To the fullest extent permitted by law, CCC shall indemnify and hold harmless Client and its agents, employees and representatives from and against all costs, damages, fines, losses and expenses, including, but not limited to, reasonable attorneys' fees, court costs, investigation costs and all other reasonable costs and expenses arising out of, in connection with, or resulting from CCC's performance of the services under this Agreement, but only to the extent caused by the negligence or breach of contract by CCC, its employees, agents, sub-CCCs or others for whose acts it may be liable, regardless of whether or not such claim, damage, loss or expense is caused in part by a party indemnified hereunder. Such obligation shall not be construed to negate, abridge or otherwise reduce insurance requirements or other rights or obligations of indemnity which otherwise exist as to CCC. CCC's obligations under this Section 2 shall survive the expiration or termination of this Agreement.
- 3.) The acceptance of final payment by CCC pursuant to this Agreement shall constitute a full release, discharge and waiver of all rights and claims for compensation for services that CCC may have against Client or its property under applicable common and statutory law. Upon receipt of final payment, CCC shall, upon the request of Client, execute and deliver to Client any necessary lien waiver.
- 4.) The relationship of Client and CCC is that of Client and independent CCC and no employer-employee relationship is hereby created. Neither Client nor CCC shall enjoy any of the benefits nor be subject to any of the burdens that would arise, result or proceed or project from an employer-employee relationship, but instead all the rights and duties of each party shall be limited to those provided in this Agreement for independent contractual services. CCC shall be solely responsible for the payment of all social security and unemployment taxes, wage withholding and any other requirements with respect to its employees.
- 5.) In the event of a conflict between any provisions of this Agreement and anything in the exhibits attached hereto or in any of CCC's documents, contracts, proposals, estimates or specifications, the terms and conditions of this Agreement shall prevail.
- 6.) All notices, consents, approvals, requests, demands, and other communications (collectively, "Notices(s)") which may or are required to be sent, delivered, given or obtained pursuant to the terms of this Agreement shall be in writing and shall be given either by hand delivery, by prepaid United States certified mail, or by a reputable overnight delivery service that guarantees next day delivery and provides a receipt. All notices shall be addressed to the parties at their respective addresses set forth on the first page of this Agreement, as same may be changed from time to time. Either party may, by notice in the manner provided above, change its address for all subsequent Notices. All Notices given by certified mail shall be deemed given two (2) business days after they are so mailed. All Notices given by overnight delivery or hand delivery shall be

deemed given on delivery. A party's failure or refusal to accept service of a Notice will constitute delivery of the Notice.

- 7.) CCC will perform the professional services in a timely manner consistent with sound engineering practices.
- 8.) This agreement may be terminated by either party upon ten (10) days written notice. In the event of termination, CCC shall be paid for services performed to the date the Agreement is terminated.
- 9.) The law of the State of Oklahoma will govern the validity of the Agreement terms, their interpretation and performance.
- 10.) This Agreement is binding upon the parties, their heirs, successors and assigns.
- 11.) The parties have read the foregoing, understand completely the terms and conditions, and willingly enter into this Agreement.

THE FOREGOING PROVISIONS ARE PART OF THE AGREEMENT BETWEEN CCC AND CLIENT.



Public Works Administration
Vaughn Sullivan, Director
vsullivan@midwestcityok.org
R. Paul Streets, Assistant Director
rstreets@midwestcityok.org
8730 S.E. 15th Street,
Midwest City, Oklahoma 73110
O: 405-739-1060 /Fax: 405-739-1090

Memorandum

To: Honorable Mayor and Council

From: Vaughn K. Sullivan, Community Services Director

Date: August 30, 2017

Subject: Discussion and consideration of approving and entering into a Sponsorship and Marketing Consulting Agreement with STAAR Solutions in the amount of \$3,000 plus sponsorship sales commissions and a \$2,500 stipend fee to MindsEye Advertising to effectively assist the City of Midwest City in achieving its goals and initiatives for the 2017 Star Spangled Salute Air Show.

STAAR Solutions brings certified IEG experience in sponsorship consulting, valuation, measurement and strategy. STAAR will assist the Parks and Recreation Department in selling a \$25,000 sponsorship package to one or more sponsors. The sponsorship/sponsorships will cover the costs associated with hosting and executing the Aviators Reception and any other sponsorship if requested by the City of Midwest City. STAAR will work to coordinate the sales, contracting and sponsorship deliverables oversight process.

The comprehensive artwork services provided by MindsEye Advertising are relative to the creation of sponsorship collaterals and sponsorship deliverables.

Staff recommends approval.

Vaughn K. Sullivan
Public Works Director

Attachment: Agreement with attachments



February 3, 2017

This letter will set forth the terms and conditions of the arrangement between the City of Midwest City and STAAR Solutions (STAAR) whereby Chris Moler dba STAAR Solutions and associated subcontractors of STAAR including MindsEye Advertising agree to create and manage a comprehensive sponsorship and marketing campaign for the 2017 Star Spangled Salute Air Show including other related events and entertainment options hereinafter (Star Spangled Salute) on behalf of the combined Non-Federal Organizations (NFO) of which the City of Midwest City is a NFO to Tinker AFB. Said services include the creation and management of a comprehensive sponsorship campaign with goals set by each of the NFOs and Tinker AFB for one unified campaign. Together, STAAR and the NFOs will create external pre-event promotional and community based entertainment options as they may become available. Additionally, STAAR will oversee and manage a comprehensive marketing and promotions campaign for the Star Spangled Salute Air Show recognizing the 75th Anniversary of both Tinker AFB and the City of Midwest City. The Star Spangled Salute Air Show is scheduled for May 20-21, 2017.

The following is a list of anticipated support services and accompanying payments:

- 1) Support for re-creation of a comprehensive sponsorship campaign.** STAAR will lead the efforts on behalf of the NFO groups to build a sponsorship campaign that consists of a set of custom sales power point presentations, sales prospectus, contract agreement forms, promotional items and related support collaterals. STAAR Solutions will receive a stipend payment of \$3,000 for the above services to support staff management and associated costs related to this effort; particularly on behalf of the Aviators Reception that is produced by the City of Midwest City.
- 2) Coordination of Sale of Sponsorships.** STAAR Solutions will take the lead on the sale of all sponsorships related to the Aviators Reception and any other sponsorship requests that may arise. Funds raised by STAAR Solutions will be used by the City of Midwest City to create and provide a high profile Aviators Reception on Friday, May 19, 2017.
- 3) Commission for Sale of Sponsorships.** The City of Midwest City will pay STAAR Solutions the following commission structure:
 - a. Twenty percent (20%) commission on all cash sponsorships sold by STAAR.
 - b. Fifteen percent (15%) commission for each agreed and contracted Value In Kind (barter-trade) sponsorship.
 - c. Ten percent (10%) commission for each agreed and contracted media and marketing related sponsorship sold through the City of Midwest City if requested.
 - d. Commission on the full sponsorship amount will be paid within 20 business days of receipt of the sponsorship monies. If sponsorships are paid to the City of Midwest City in installments, the commission percentage will reflect the installment amount received and will be paid to STAAR within 20 business days of receipt of each installment.
 - e. Value in Kind (VIK) individual sponsorship commissions will not exceed \$4,000 for any single sponsorship. VIK sponsorships may be budget relieving items such as printing, food and beverage services and/or products, sound and lighting equipment, staging, tenting, audio visual or other negotiated barter or trade services. VIK values and limits are set by the sponsor and not by the City of Midwest City or STAAR.

- f. Media individual sponsorship commissions will not exceed a payment of \$3,000 for each media sponsorship agreement regardless of a value exceeding \$30,000. Media values and limits are set by the sponsor, not by the City of Midwest City or STAAR. Media partnerships through the City of Midwest City are not anticipated at this time.

Subcontracts and Services: STAAR has subcontracted MindsEye Advertising firm for all comprehensive artwork services relative to sponsorship collaterals and sponsorship deliverables. These services will be shared by the City of Midwest City, Eastern Oklahoma County Tourism Council and Aerospace America who paid their portion prior to the organization's dismantlement. The City of Midwest City agrees to pay a one-third equal stipend fee of \$2,500 to Mind's Eye Advertising as the contracted entity for the services outlined below.

- i. Creative design for the overall look of the Star Spangled Salute Air Show. This artwork will become the basis of all artwork including that used by Tinker AFB.
 - ii. Artwork for all three NFO entities to use for updating and/or recreating website pages that offers consistency for the same look and feel to users.
 - iii. All artwork associated with Star Spangled Salute including, but not limited to posters, flyers, invitations, banners, programs, print, TV, and outdoor advertisements, VIP chalet area signage, VIP parking passes, VIP credentials, etc. as needed to support the Air Show for the NFOs and their sponsors.
 - iv. Support artwork for all associated pre-events including a possible Dodgers tribute baseball game, Oklahoma River activity, Energy Soccer game activity or other achievable pre-events that will be associated with sponsor benefits.
 - v. All associated artwork to support the Aviators Reception including invitations, tickets, program, PowerPoint Presentation, etc.
 - vi. Press release, press writing and media planning support.
 - vii. Ad creation and advertising coordination will go through STAAR Solutions with approval by the City of Midwest City, EOCTC and Tinker AFB Public Affairs to alleviate NFO staff time.
 - viii. Site planning and mapping for signage campaign to include external areas of Tinker AFB, entrances and area signage as approved by Tinker AFB and the VIP area.
 - ix. Official map design for the air show that is used by Tinker AFB Public Affairs, all sponsor related publications, etc.
 - x. Other services deemed as appropriate and reasonable to suffice the needs of Star Spangled Salute and any pre-events as agreed upon by the NFOs.
 - xi. This cooperative effort buy-in assures full NFO partner recognition to the City of Midwest City, STAAR Solutions and EOCTC in all related advertisements, posters, flyers and other collateral creation and advertising recognition.
- 4) **Sponsorship Account Protection.** STAAR Solutions will reserve the right to maintain account protection for the 2019 (and/or next) Star Spangled Salute for all contacts initiated and sold by STAAR for the 2017 Star Spangled Salute if retained by the City of Midwest City to support the next air show event. This also includes account protection as per the previous agreement for the sale of sponsorships sold in 2014 including sponsors such as Tinker Federal Credit Union, FNB Bank, Anheuser Busch, Coca-Cola, etc.
- 5) **Sponsorship Contacts.** There may be times when a City of Midwest City representative may work directly with STAAR to secure an entree and/or meeting, attend the meeting and assist

with closing the actual sponsorship agreement. This is to execute the initial sale and to support the existing relationship. STAAR will work directly with the City of Midwest City representative to approve a series of leads and divide the leads up within the City of Midwest City team members. STAAR will still take primary responsibility for contracting and execution of the sponsorship that it is responsible for and as a result will receive full commission payment. It will be understood that once a sponsor contact or exhibitor has been assigned to a particular account representative that no other party will make contact with the potential sponsor unless jointly working with a member or key leader from the City of Midwest City. Internal controls will be managed by the City of Midwest City representative.

- 6) **Term.** This agreement shall remain in force until and up to 60 days past the air show date to allow time to close all business and to create a final summary of execution for all sponsors. However either party may terminate with or without cause, by giving fifteen (15) days written notice to the other in writing. In the event of termination as contemplated herein by the City of Midwest City, the City of Midwest City would remain liable to STAAR for all activities as contracted and herein provided prior to the date of termination. Should the City of Midwest City terminate this agreement after delivery of the drafted sponsorship campaign, then the City of Midwest City would pay a onetime stipend fee of \$3,000.00 cash for services rendered to create the campaign and campaign materials.
- 7) **Prior Approval.** STAAR must receive approval by the City of Midwest City prior to approaching new potential sponsors that are mutually agreed upon. All materials used by STAAR in connection with this Agreement must also be approved by the City of Midwest City representative. Similarly, STAAR will not enter into any sponsorship agreements, like in-kind donations and any other obligations on behalf of the City of Midwest City without prior approval. All sponsorships will be recognized by a signed and consummated contractual agreement between the City of Midwest City and the sponsor unless otherwise agreed upon in advance by the City of Midwest City.
- 8) **Collection of Sponsorship Pledges.** The City of Midwest City and STAAR will work together in connection with the collection of sponsorship pledges, sponsorship services and/or vendor fees, but the City of Midwest City will have the ultimate responsibility for collection.
- 9) **Independent Contractor.** STAAR shall be deemed an independent contractor in connection with the performance of this Agreement.
- 10) **Agreement Location.** In the event of arbitration, settlement, dispute, original record or other need for legal action, this agreement shall be deemed an Oklahoma agreement in the State of Oklahoma in Oklahoma County.

If the foregoing terms are acceptable, please indicate in the space provided below.

Very truly yours,

STAAR Solutions

By: _____

Chris Moler, President STAAR Solutions
2708 N.W. 120th Street, Oklahoma City, OK 73120
(405) 749-1953 chris@staarsolutions.com

Agreed to and accepted this _____ day of February, 2017.

STAAR SOLUTIONS

Chris Moler, President

Passed and approved by the City on the _____ day of February, 2017.

CITY OF MIDWEST CITY, OKLAHOMA

Matthew D. Dukes II, Mayor

Attested:

Sara Hancock, City Clerk

APPROVED as to form and legality this _____ day of February, 2017.

Phil Anderson, City Attorney



Public Works Administration
Vaughn Sullivan, Director
vsullivan@midwestcityok.org
R. Paul Streets, Assistant Director
rstreets@midwestcityok.org
8730 S.E. 15th Street,
Midwest City, Oklahoma 73110
O: 405-739-1060 /Fax: 405-739-1090

Memorandum

To: Honorable Mayor and Council

From: Vaughn K. Sullivan, Public Works Director

Date: February 14, 2017

Subject: Discussion and consideration of approving and entering into the National Museum of the United States Air Force Static Display Program 2017 Loan Agreement, SDA0241 with the United States of America, represented by the National Museum of the United States Air Force, for the T-38A 61-0817 aircraft on static display in Bicentennial Park for the period from April 1, 2017 through March 31, 2018.

Renewal of this agreement is required by the National Museum of the Air Force on an annual basis. The agreement allows the City of Midwest City to continue to display the T-38 aircraft, on loan from the Air Force, in Bicentennial Park.

Staff recommends approval.

Vaughn K. Sullivan
Public Works Director

Attachment: Agreement with attachments

**NATIONAL MUSEUM OF THE UNITED STATES AIR FORCE (NMUSAF)
STATIC DISPLAY LOAN PROGRAM**

2017 LOAN AGREEMENT, SDA0241

1.0. Parties. The United States of America or "the Government," represented by the National Museum of the United States Air Force (NMUSAF), and collectively referred to hereinafter as "the Lender," hereby establishes with the MIDWEST CITY hereinafter called "the Borrower," incorporated and operating under the laws of the State/Country of OKLAHOMA, and located at MIDWEST CITY, a Loan Agreement hereinafter called "the Agreement" for U.S. Air Force (USAF) historical property. This Agreement is entered pursuant to Public Law 80-421 [10 United States Code (USC) §2572], and any amendments thereto, and is effective for the period commencing 1 April 2017 and ending 31 March 2018. This Agreement is not transferable.

2.0. Borrower Obligations/Costs. The Borrower has applied, in writing, for the loan of USAF historical property, and hereby agrees to be responsible for all arrangements and, in accordance with 10 USC §2572, is required to pay all costs, charges and expenses incident to the loan of this property, including, but not limited to, the cost of preparation, demilitarization, hazardous material removal, disassembly, packing, crating, handling, maintenance, repair, restoration, transportation and all other actions incidental to the use and/or movement of the loaned property to or from the Borrower's location.

3.0. Loaned Property. The NMUSAF shall loan to the Borrower the historical property identified in the inventory report, which has been included in the loan package and is incorporated into this Agreement by reference as if fully rewritten herein (hereinafter the "Property"). The Borrower accepts the Property on an "as is, where is" basis, and the Lender makes no warranties, expressed or implied, as to the Property's condition, fitness for any particular purpose, or other warranty of any kind.

4.0 Loan Conditions.

4.1. The Borrower agrees that the Property shall be used for static display purposes only. Loaned aerospace vehicles will not be flown or restored to flying condition under any circumstance, nor will they be licensed with the Federal Aviation Administration (FAA). The Borrower shall not remove any parts from loaned aircraft except as directed in paragraph 4.2. Relocation of the Property for temporary special events (parades, ceremonies, air shows, etc.) is not authorized under any circumstances. No decorations of any type, for any purpose (special event, seasonal display, ceremonies, etc.) are authorized to be displayed on any of the Property. The Property shall not be used in a manner that provides the appearance of endorsement by the USAF of any non-federal entity or political candidate, or the expression of a political viewpoint of any kind. The Property shall not be used for political purposes of any kind or as part of a political event, including, but not limited to, advertising or promotion of a political event, or as background for a political debate, speech or other political event.

4.2. The Borrower agrees to allow the Lender to remove parts from loaned aerospace vehicles for the NMUSAF or military requirements, upon written direction from the NMUSAF. Such parts are generally internal in nature and removal or replacement should not alter the external aesthetic appearance of the aerospace vehicle.

4.3. The Borrower shall not part with possession of the Property or any component of the Property in any manner to any third party either directly or indirectly. The Borrower shall not enter into any negotiations with a third party regarding any future disposition of the loaned material, in whole or in part.

4.4. The Borrower agrees to all of the following: to use the Property in a careful and prudent manner; to not modify the Property in any manner, without prior written permission of the Lender, which would alter the original form, design, or the historical significance of said Property; to perform routine maintenance to include (but not limited to) annual upkeep, periodic painting, tire inflation, repair of damage, day-to-day care and management of the Property, so as to provide an acceptable appearance and to not reflect negatively on the Lender; and to display and protect the Property in accordance with the instructions set forth in Attachments 1 and 2, which are incorporated into this Agreement by reference as if fully rewritten herein.

4.5. The Borrower agrees that any additions, modifications or alterations that improve the Property become part of said Property and are owned by the NMUSAF.

4.6. Interior access to loaned aerospace vehicles (cockpit, cargo areas, etc.) for purposes other than maintenance or restoration work by persons other than staff or authorized maintenance personnel is prohibited. This is to ensure not only the integrity and preservation of the aircraft, but more importantly, the safety and security of the public.

5.0. Use as Security, Sale or Lease. The Borrower agrees not to use the Property as security for any loan, and not to sell, lease, rent, lend or exchange the Property under any circumstances.

6.0. Professional Photography. The Borrower shall not make or allow the use of the Property for any commercial purpose, including, but not limited to, use of the Property for still photography, motion picture, television or video production, without prior written approval from the Lender. Casual photography or motion video created by visitors for personal or non-promotional use is permitted.

7.0. Incident Reporting. The Borrower shall within one (1) working day of discovery, notify the Lender of any instance of loss, damage or destruction of the Property.

8.0. Title. The Borrower shall obtain no interest in the Property by reason of this Agreement and title shall remain in the Lender at all times.

9.0. Receipt, Custody & Liability.

9.1. This Agreement shall be executed prior to the Borrower accepting physical custody of the Property or on or before 1 April 2017.

9.2. The Borrower agrees to provide a receipt to the Lender at the time it assumes physical custody of the Property (unless the Property is already in its possession).

9.3. The Borrower agrees that it is strictly liable for up to the full replacement value (FRV) of the Property, as identified in the inventory report, and to accept such liability upon assuming physical custody of the Property or execution of this Agreement, whichever occurs first.

9.4. The Borrower agrees that the FRV of the Property is as identified in the inventory report and waives any right to contest the FRV in any legal proceeding. In the event any item of historical property does not have an FRV identified in the inventory report, the FRV shall be determined at the sole discretion of the NMUSAF.

9.5. The Borrower agrees that if the Property, or any portion thereof, has been irreparably damaged, destroyed or stolen the NMUSAF may direct the Borrower to either replace the Property with an historical item of equal value to the satisfaction of the NMUSAF or require monetary reimbursement equaling the

FRV. In the event of less than total loss to the Property, or any portion thereof, the Borrower agrees to repair/replace the damage to the Property to the satisfaction of the NMUSAF or reimburse the NMUSAF for the full value of the damage, as determined by the NMUSAF. The election of a remedy under this subparagraph is at the sole discretion of the NMUSAF. This subparagraph is not intended to waive or limit the Government's rights and remedies, legal or equitable, and the Government reserves all such rights and remedies.

9.6. The Borrower agrees to place the Property on exhibit within ninety (90) days from the date it takes physical custody, or as otherwise mutually agreed upon.

10.0. Borrowers Responsibilities.

10.1. The Borrower agrees to the greatest extent permitted by OKLAHOMA Law to indemnify, hold harmless, and defend the Lender from and against all claims, demands, actions, liabilities, judgments, costs, and attorney's fees, arising out of, claimed on account of, or in any manner predicated upon personal injury, death, or property damage caused by or resulting from possession and/or use of the Property. Nothing herein shall be construed to waive or limit the federal Government's rights and remedies permitted by law.

10.2. The Borrower agrees to report, as requested, to the Lender on the condition and location of the Property. Further, the Borrower agrees to allow authorized Department of Defense representatives access to the Borrower's records and facilities to assure accuracy of information provided by the Borrower and compliance with the terms of this Agreement.

10.3. The Borrower agrees to return said Property to the Lender on termination of this Agreement or earlier, if it is determined that the Property is no longer required, at no expense to the Lender. In the event of a partial termination, the Borrower agrees to the return of all items of the Property subject to the partial termination, at no expense to the Lender.

11.0. Initial Loan Agreement Requirements.

11.1. The Borrower agrees to furnish the Lender a CD/DVD containing digital images of the Property within fifteen (15) days of taking physical possession of the Property. The image file name must be the accession number for that item (e.g. SD-2000-0123.JPG). For aircraft and ballistic missiles, images will include views showing all external surfaces including tail number and all accessible interior areas including instrument panels, avionics racks and equipment, aircrew, passenger, cargo and payload compartments, wheel wells, and bomb bays. Digital images for all other artifacts will be of sufficient detail to ensure positive identification of each object.

11.2. The Borrower shall arrange insurance coverage for the Property on an all-risk, wall-to-wall basis, at a minimum, for an amount that equals the total agreed upon FRV for all items in the inventory report, plus any additional amount to cover the inventory that does not have an identified FRV, so long as the Property remains in its possession. The Borrower further agrees to furnish the Lender proof of said insurance. For Borrowers with private insurance coverage, proof shall constitute a copy of the insurance certificate from the commercial provider, noting any deductible, and showing coverage up to the FRV of the Property and any additional coverage for Property that does not have an FRV identified in the inventory report. For self-insured organizations, proof shall constitute a written and signed statement attesting to its ability to reimburse the Government for the FRV of the Property (as identified in the inventory report and/or as determined by the NMUSAF).

12.0. Annual Loan Renewal Requirements.

12.1. The Borrower agrees to furnish the Lender a CD/DVD containing digital images of the Property. The image name must be the accession number for that item (e.g. SD-2000-0123.JPG). Digital images of aircraft and missiles will provide general views to include sufficient detail to show the overall condition and tail number of the airframe. Digital images for all other artifacts will be of sufficient detail to ensure positive identification of each object and its current condition.

12.2. The Borrower agrees to furnish a copy of the most recent annual financial statements to include revenue and expense reporting and a projected budget for the next operating year.

12.3. The Borrower agrees to furnish the Lender proof of insurance as required in subparagraph 11.2 for each renewal period.

12.4. The Borrower agrees to furnish a signed inventory as provided by the Lender with the annual renewal package, which accurately reflects the Property in its possession. Discrepancies in the inventory provided by the Lender shall be noted on the inventory report by the Borrower to the extent that such notes accurately reflect the current inventory held by the Borrower. In the event of a dispute, the Lender shall make the final determination of the current inventory on or near the renewal date and document the NMUSAF records accordingly.

13.0. Display/Maintenance Requirements.

13.1. No aircraft will be renovated, reconfigured, painted, have markings changed, or tail number altered, or any parts added, removed, or replaced as part of a planned restoration effort without prior written approval from the NMUSAF.

13.2. The Borrower agrees that all aircraft, missiles and artifacts on display will have an identification sign adjacent to each display. For aircraft and missiles note the type, model, and serial number. If the aircraft or missile has been reconfigured, markings changed, or serial number altered after acquisition for display purposes, it will be stated on the sign and noted in all records as follows:

“The (item) on display is actually (nomenclature), Serial No. _____, but painted and marked to depict (nomenclature), Serial No. _____, assigned to the (Unit and/or person) in (location or theater) during (year).”

13.3. The sign will state that the item is part of the NMUSAF collection as follows:

"This (artifact/object) is on loan from the National Museum of the United States Air Force."

13.4. For aircraft on which the serial number has been altered for display purposes with prior written approval, the mission, design and series (e.g. F-100C or F-4C) along with the original serial number will be stenciled in two inch letters using contrasting paint colors on the fuselage under the horizontal stabilizers.

13.5. All record keeping will reflect the true serial number.

14.0. Radioactive Components.

14.1. Completion of Section 2 of Air Force Form 3580, (USAF Museum Aerospace Vehicle Static Display Acceptance Condition and Safety Certificate), or comparable certification indicating that a complete radioactive material survey has been accomplished shall be included in the official file.

14.2. In accordance with Attachment 1, (“NMUSAF Loan and Static Display Programs’ Instructions for Preparation and Maintenance of Aerospace Vehicles”), if radioactive items are determined to have been installed or reinstalled during later inspections, the Borrower will pay the cost of removal of the radioactive items and any decontamination required.

15.0. Loan Termination.

15.1. The Borrower agrees to return said property to the NMUSAF on termination of this Agreement or earlier, if it is determined that the property is no longer required, at no expense to the NMUSAF.

15.2. The failure of the Borrower to observe any of the conditions set forth in this Agreement and Attachments 1 and 2 thereto shall be sufficient cause for the Lender to terminate the loan and repossess the Property. Repossession of all or any part of the Property by the Lender shall be made at no cost to the Government; the Borrower shall be responsible for paying all maintenance, freight, storage, crating, handling, transportation and other costs or charges attributable to such repossession.

15.3. In the event the loan is terminated for any reason, the provisions of this Agreement will remain in effect until all of the Property, or in the event of a partial termination that portion of the Property at issue, has been relocated and in a condition that is satisfactory to the NMUSAF.

15.4. Termination of the loan and subsequent repossession of all or any part of the Property at the option of the Borrower shall require no less than thirty (30) days advance notice to the Lender in writing. This requirement may be waived by the Lender only through the provision of a written waiver to the Borrower prior to the return of the Property.

15.5. The Lender reserves the right not to renew this Agreement, in all or part, and to recall the Property if required by the Lender to meet the requirements of the NMUSAF, Wright-Patterson AFB, OH or for other military requirements. The Lender will provide a written thirty (30) day notice of intent to recall to the Borrower. In the event of recall, movement of the recalled Property from the Borrower's site will be accomplished at the Lender's expense.

16.0. Dispute Resolution. In the event a dispute arises between the parties over the terms and conditions of this Agreement reasonable attempts will be undertaken to resolve the matter through negotiation between the parties or persons appointed, in writing, by the parties. This Agreement shall be construed and interpreted in accordance with Federal law. If any provision herein is held unlawful or otherwise unenforceable by the Court any remaining provisions shall be considered divisible and remain in full force and effect. In the further event that negotiations fail to reach a resolution, the parties agree that the Federal District Court for the Southern District of Ohio, at Dayton, Ohio, will be the exclusive venue for resolving such disputes.

Executed on behalf of the Lender this Seventh Day of February, 2017 at Wright-Patterson AFB OH.

UNITED STATES OF AMERICA

By: PATRICIA OCHS
Title: Static Display Program Administrator

Agency: National Museum of the United States Air Force

Address: NMUSAF/MUC
1100 Spaatz St
Wright-Patterson AFB OH 45433-7102

Telephone: (937) 255-4770 Fax Number: (937) 656-4081

Email: patricia.ochs@us.af.mil

ACCEPTANCE

The Borrower, through its authorized representative, hereby accepts responsibility of the Property subject to the terms and conditions contained in this Agreement set forth above. The Borrower certifies that they have read, understand and acknowledge that concealing a material fact and/or making a fraudulent statement in dealing with the federal government may constitute a violation of federal law in accordance with 18 USC §1001.

Executed on behalf of the Borrower this _____ day of _____ 2017, at _____.

(Name of Borrower/Organization)

By: _____
(Signature)

(Typed or Printed Name & Title)

Address: _____

Telephone: _____ Fax Number: _____

Email: _____

NATIONAL MUSEUM of the U.S. AIR FORCE
RCS: HAF-HO(A) 8801 INVENTORY REPORT
Loan Account Number SDA0241

04-Jan-17

ACCESSION #	NOMENCLATURE	Value
SD-2000-0385	AIRCRAFT, T-38A, 61-0817	\$10,000

I certify that the above listed items shown on Pages 1 through 1
have been accounted for with any discrepancies so noted.

Signature: _____ 02-24-2017
(Historical Property Custodian) (Date)
Matthew D. Dukes, II

Typed or Printed Name
Mayor

Typed or Printed Title



Information Technology
100 N. Midwest Boulevard
Midwest City, OK 73110
Office 405.739.1374
Fax 405.869.8602

MEMORANDUM

TO: Honorable Mayor and City Council

FROM: Ryan Rushing, Information Technology Director

DATE: February 14, 2017

SUBJECT: Discussion and consideration of 1) declaring various computer equipment obsolete items of city property on the attached list surplus; and 2) authorizing their disposal by public auction or sealed bid.

The following computer equipment and peripheral devices are obsolete, defective or have been replaced.

Staff recommends approval

Ryan Rushing, Information Technology Director

CPU			
INVENT #	MIS#	MANUFACTOR	SERIAL NUMBERS
	711	Dell Optiplex 380	J8RJFQ1
	578	Dell Optiplex 360	117PMJ1
	664	Dell Optiplex 380	51KWKM1
	IT493	Dell D630 Laptop	7D8QLF1
	IT515	Dell M4300 Laptop	548C1G1
	IT248	Dell Inspiron 1100	49RHS31
	653	Dell Optiplex 380	87PMQL1
	793	Dell Optiplex 390	3Z3SXV1
	719	Dell Optiplex 380	HRRYHQ1
	712	Dell Optiplex 380	J8S9FQ1
	739	Dell Optiplex 390	6V31KS1
	744	Dell Optiplex 390	6V1YJS1
	709	Dell Optiplex 380	J8S8FQ1
	459	ToughBook CF-19	7IKSA81079
	458	ToughBook CF-19	7IKSA80942
	457	ToughBook CF-19	7IKSA81253
	na	ToughBook CF-19	7IKSA80963
	319	ToughBook CF-18	4FKSA40520
	461	ToughBook CF-19	7IKSA81263
	456	ToughBook CF-19	7IKSA81038
MONITORS			
INVENT #	MIS #	MANUFACTURE	SERIAL NUMBERS
	417	Dell	CN0U828K74445023968S
	524	Dell	CN06H6FX7444522DCKTM
	486	Dell	Cn-OU828K-74445-13C-CVHL
	458	Dell	CN0U828K7444508HBSZS
	465	Dell	CN0MCG227444508I701S
	713	Dell	CN0NDMRP7426134Q5FLU
	484	Dell	CN0U828K74445159B5US
	n/a	Dell	CNOFJ44J7444561JBH9MA0 1
	309	Dell	CN0KU311641808351BSM
	310	Dell	CN0KU311641808351BTM

	377	Dell	MX0H095G707158B43S0M
		Dell	CN0MCG227444508I200S
		Dell	CN0U828K74445021BYFS
		Dell	CN0MCG227444508I700S
		Dell	CN06H6FX7444525GD3TM
		Dell	CN0X764G6418089Q2SSS
		Dell	CN0KU311641808441DNM
		Dell	CN0U828K74445021BY5S
		Dell	CN0FP04F728722C3A8HM
		Dell	CN0MCG227444508I408S
		Dell	CN0U828K74445021BY9S
		Dell	MX0H095G707158B43S4M
		Dell	CN0KU311641808550AWM
		Dell	CN0MCG227444508I063S
		Dell	CN0U828K744459BH951S
		Dell	CN0MCG227444508I540S
		Dell	CN0MCG227444508I689S
		Dell	CN0U853F728729291K0I
		Dell	MX0H095G707158B42UPM
		Dell	CN0MCG227444508I059S
		Dell	CN0U853F7287296R1U0I
		Dell	CN0F180G641809260XZL
		ccx	S05B43300706
		MISCELLANEOUS	
Quantity	MIS #	Hardware Type	Serial Number
11		Kronos time Clock	
1		ipad two	DMTH1AJHDFHW
1		ipad one	HW106C4ZA90
1		ipad one	HW106C6EA90
1		ipad one	HW106C8AA90
1		ipad one	HW106C61A90
1		ipad one	HW106C3VA90
1		ipad one	HW106CCMA90
1		ipad one	HW107J20ETU
1		White Ipad sleeve	
2		ipad cases with built in keyboard	
1		4050 HP Printer	USCC024931
1		Box of Misc	



Information Technology
 100 N. Midwest Boulevard
 Midwest City, OK 73110
 Office 405.739.1374
 Fax 405.869.8602

30		Monitor Stands	
1		AIN Boom Box	
9		Stacked Monitor Stands	
1		4050 printer	USBB349832
1		4050 PRINTER	USBB404072
1		4050 PRINTER	USCF012287
2		4050 paper trays	
1		Cisco 3560G	
1		Cisco 2970	
1		Cisco 3550	
8		Cisco 3500	
1		Cisco router	
6		Panasonic CF-VEB181	
1		Rackmount server	
15		Boxes of Misc	
1		camera controler	
1		dell docking station	
1		box of as400 cabels	
1		box of spray paint	
1		visio tv	LSPACAH0405616
1		visio tv	ASLEDBAH040040
1		phillips tv	



DISCUSSION ITEM





THE CITY OF MIDWEST CITY

Finance Department

TO: Honorable Mayor and City Council

FROM: Christy Barron, Finance Director

DATE: February 14, 2017

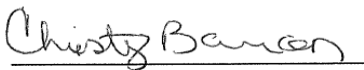
SUBJECT: Discussion and consideration of accepting the financial audit of the City of Midwest City as of and for the year ended June 30, 2016.

The financial audit for the City of Midwest City as of and for the year ended June 30, 2016 and the required communications by the auditor are attached to your council agenda. The financial audit report expressed an unmodified opinion for the year ending June 30, 2016 with no audit findings.

The auditor communicated three uncorrected misstatements that are immaterial, both individually and in the aggregate, to the City's financial position. Therefore, no audit adjustments were required. The uncorrected misstatements related to 1) accrual of an estimated legal liability, 2) accrual of estimated sick leave liability and 3) accrual of accounts payable liability.

The Federal threshold for requiring an audit of Federal grant compliance requirements was \$750,000 for fiscal year 2015-16. Since the City did not expend more than \$750,000 in Federal funds during fiscal year 2015-16, a Federal single audit was not required.

Mike Gibson of RSM US LLP will be at the February 14, 2017 meeting to present the report and answer any questions.



Christy Barron
Finance Director

Attachments: Financial Audit Report - FY15-16
Required Communications by Auditor - FY15-16

City of Midwest City, Oklahoma

Report to the City Council
December 28, 2016





RSM US LLP

531 Couch Drive
Oklahoma City, Oklahoma

T +1 405 239 7961
F +1 405 235 0042

www.rsmus.com

December 28, 2016

City Council and Management
City of Midwest City, Oklahoma

We are pleased to present this report related to our audit of the basic financial statements of the City of Midwest City (the City) for the year ended June 30, 2016. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the City's financial reporting process.

This report is intended solely for the information and use of the City Council and management and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to the City of Midwest City.

RSM US LLP

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AUDIT | TAX | CONSULTING

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Report required by <i>Government Auditing Standards</i>	

Required Communications

Generally accepted auditing standards (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the basic financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Area	Comments
<p>Our Responsibilities With Regard to the Financial Statement Audit</p>	<p>Our responsibilities under auditing standards generally accepted in the United States of America and <i>Government Auditing Standards</i>, issued by the Comptroller General of the United States, have been described to you in our arrangement letter dated June 27, 2016. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities which are also described in that letter.</p>
<p>Overview of the Planned Scope and Timing of the Financial Statement Audit</p>	<p>We have issued a separate communication regarding the planned scope and timing of our audit and have discussed with you our identification of and planned audit response to significant risks of material misstatement.</p>
<p>Accounting Policies and Practices</p>	<p>Preferability of Accounting Policies and Practices Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.</p> <p>Adoption of, or Change in, Accounting Policies Management has the ultimate responsibility for the appropriateness of the accounting policies used by the City. Following is a description of significant accounting policies or their application that were either initially selected or changed during the year.</p> <p>Statement No. 72 <i>Fair Value Measurement and Application</i>, is effective for fiscal years beginning after June 15, 2015. This Statement defines fair value, provides measurement techniques and approaches, establishes a hierarchy of inputs to valuation techniques, and describes what should be reported at fair value and what should be disclosed about fair value measurements. The implementation of this standard resulted in additional disclosures in the financial statements.</p>
	<p>Significant or Unusual Transactions We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.</p>
	<p>Management's Judgments and Accounting Estimates Summary information about the process used by management in formulating particularly sensitive accounting estimates and about our conclusions regarding the reasonableness of those estimates is in the attached Summary of Significant Accounting Estimates.</p>

Area	Comments
Audit Adjustments	There were no audit adjustments made to the original trial balance presented to us to begin our audit.
Uncorrected Misstatements	Uncorrected misstatements are summarized in the attached Summary of Uncorrected Misstatements.
Disagreements With Management	We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the basic financial statements.
Consultations With Other Accountants	Except for consulting services provided by Crawford & Associates, we are not aware of any consultations management had with other accountants about accounting or auditing matters.
Significant Issues Discussed With Management	No significant issues arising from the audit were discussed with or were the subject of correspondence with management.
Significant Difficulties Encountered in Performing the Audit	We did not encounter any significant difficulties in dealing with management during the audit.
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	We have separately issued a report on internal control over financial reporting and on compliance and other matters based on an audit of the financial statements performed in accordance with <i>Government Auditing Standards</i> .
Significant Written Communications Between Management and Our Firm	Copies of material written communications between our firm and the management of the City, including the representation letter provided to us by management, are attached as Exhibit A.

**The City of Midwest City
Summary of Significant Accounting Estimates
Year Ended June 30, 2016**

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. You may wish to monitor throughout the year the process used to determine and record these accounting estimates. The following describes the significant accounting estimates reflected in the City's June 30, 2016, basic financial statements.

Estimate	Accounting Policy	Management's Estimation Process	Basis for Our Conclusions on Reasonableness of Estimate
Net Pension Liability (NPL) Assumptions	The City records a liability for the net pension liability associated with the Oklahoma Firefighters Pension and Retirement Plan, the Oklahoma Police Pension and Retirement System, and the City of Enid Retirement Plan, along with corresponding deferred inflows and outflows.	The Police and Fire Pension Systems and the City for its single-employer plan, engages the services of certified actuaries to compute the liability based on information provided by the respective pension systems and the City, including mortality rates, discount rates and inflation rates. These actuary reports are made available to the City, and City management reviews the actuarial results.	We tested the payroll information submitted to the Plans, obtained the actuarial report and audited pension allocation schedules. We had an internal actuarial specialist review the significant assumptions and conclusions used by the Plans. We concluded that the estimates are reasonable.
Fair Value of Investments	Investments are stated at fair value based on quoted market prices or other measures based on types of investments.	Fair value is determined by custodian bank and provided to the City monthly.	We tested the information underlying management's estimates. We used an independent pricing service and based on our procedures, we conclude that management's estimates are reasonable.
Depreciable Life of Capital Assets	The depreciable life of capital assets is set at the estimated useful life of the related asset.	The determination is made at the time the asset is placed into service and involves various judgments and assumptions, including the estimated useful life and prior experience.	We scanned the estimated useful lives assigned to current year additions by management. We believe the estimates are reasonable.

Estimate	Accounting Policy	Management's Estimation Process	Basis for Our Conclusions on Reasonableness of Estimate
Other Postemployment Benefit Plan Assumptions	Liabilities are reported in the government-wide and proprietary fund financial statements for the difference between annually required contributions and the actual contributions made by the City.	The City relies on the actuarial computed Net Other Postemployment Benefit Obligation based on data provided by the City of Midwest City turnover, retirement age, wages and mortality. These factors and the actuary assumptions are based upon historical and general market data, and are reviewed by management.	We analyzed the City's methodology, obtained actuarial calculation reports and concluded that the estimates are reasonable.
Incurred But Not Reported Workers Compensation Liability	Losses related to worker's compensation claims should be recognized in the period in which the underlying event occurs. An IBNR claim should be recognized as a liability if it is probable both 1) that the claim will be asserted and 2) that the claim, once asserted, will prevail.	Management relies on an actuary to determine the liability and uses the actuarially generated loss run report to record the year end estimate for incurred but not reported claims.	We reviewed the current year estimate and performed a lookback at the prior year estimate and compared that to an independent estimate calculated by RSM. Based on the testing performed, the estimates appeared reasonable.
Allowance for Doubtful Accounts related to Account Receivable (Utility Billings and Court Fines)	Accounts receivable balances must be recorded at their collectable balance. Any receivables that may be uncollectable should have an allowance for doubtful accounts recorded against the receivable balance.	The City calculates the allowance by reviewing historical collections for each type of accounts receivable and booking an allowance related to the accounts receivable based on that collection percentage.	We recalculated management's estimate of the allowance based on an independently formed expectation. Additionally, we performed a look-back at the amounts recorded in the allowance in the prior year and compared those amounts to the actual collection experience for the accounts receivable outstanding in the prior year. Based on the testing performed, the estimates appeared reasonable.

**The City of Midwest City
Summary of Uncorrected Misstatements
Year Ended June 30, 2016**

During the course of our audit, we accumulated uncorrected misstatements that were determined by management to be immaterial, both individually and in the aggregate, to the financial position, results of operations, and cash flows and to the related basic financial statement disclosures. Following is a summary of those differences.

Opinion Unit: Governmental Type Activities

Description	Effect - Debit (Credit)				
	Assets	Liabilities	Net Position	Revenue	Expense
Non-reversed opening equity misstatements	\$ -	\$ -	\$ 96,143	\$ 122,827	(26,684)
To record judgemental misstatement related to potential adverse legal outcomes	-	(600,000)	-	-	600,000
To record known misstatements related to estimated sick leave payouts for employees between 5-10 years.	-	(347,514)	-	-	347,514
	<u>\$ -</u>	<u>\$ (947,514)</u>	<u>96,143</u>	<u>\$ 122,827</u>	<u>\$ 920,830</u>
Current year effect on net position			1,043,657		
Total			<u>\$ 1,139,800</u>		

Opinion Unit: Business Type Activities

Description	Effect - Debit (Credit)				
	Assets	Liabilities	Net Position	Revenue	Expense
Non-reversed opening equity misstatements	\$ -	\$ -	\$ 771,825	\$ -	(771,825)
To record known misstatements related to estimated sick leave payouts for employees between 5-10 years. (1)	-	(45,704)	-	-	45,704
To record known misstatements related to estimated sick leave payouts for employees between 5-10 years. (2)	-	(37,026)	-	-	37,026
Projected Misstatement: To record misstatement related to non-accrual of accounts payable.(2)	-	(23,405)	-	-	23,405
	<u>\$ -</u>	<u>\$ (106,135)</u>	<u>771,825</u>	<u>\$ -</u>	<u>\$ (665,690)</u>
Current year effect on net position			(665,690)		
Total			<u>\$ 106,135</u>		

- (1) Midwest City Municipal Authority Opinion Unit - Total current year effect is \$45,704.
The net effect on ending net position is \$45,704.
- (2) Aggregate Non-Major Opinion Unit - Total current year effect is \$37,026.
The net effect on ending net position is \$37,026
- (3) Midwest City Municipal Authority Opinion Unit - Total current year effect is \$23,405.
The net effect on ending net position is \$23,405.

Exhibit A—Significant Written Communications Between Management and Our Firm



THE CITY OF MIDWEST CITY

December 28, 2016

RSM US LLP
531 Couch Drive, Suite 200
Oklahoma City, Oklahoma 73102

This representation letter is provided in connection with your audit of the basic financial statements of the City of Midwest City, Oklahoma (the "City") as of and for the year ended June 30, 2016 for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

We confirm, to the best of our knowledge and belief, as of December 28, 2016:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated June 27, 2016, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable and reflect our judgment based on our knowledge and experience about past and current events and our assumptions about conditions we expect to exist and courses of action we expect to take.
5. Related party transactions and interfund transactions, including interfund accounts and advances receivable and payable, sale and purchase transactions, interfund transfers, long-term loans, leasing arrangements and guarantees, have been recorded in accordance with the economic substance of the transaction and appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
6. All events subsequent to the date of the financial statements, and for which U.S. GAAP requires adjustment or disclosure, have been adjusted or disclosed.
7. We are not aware of any actual or possible litigation and claims required to be accounted for and disclosed in accordance with U.S. GAAP, except as follows:
 - a. We are involved the defendant in one matter that our attorney has advised us that our exposure ranges from \$-0- to \$800,000, and we have an estimated probability of loss ranging from 60% to 75%. We have not accrued or disclosed anything regarding this matter because we do not believe it is material to the financial statements.

8. There are no unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with Statement of Financial Accounting Standards No.5 and/or GASB Statement No.10.
9. We have no direct or indirect, legal or moral obligation for any debt of any organization, public or private, or to special assessment bond.
10. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance. In connection therewith, we specifically represent that we are responsible for determining that we are not subject to the requirements of the Single Audit Act because we have not received, expended or otherwise been the beneficiary of the required amount of federal awards during the period of this audit.
11. The City has satisfactory title to all owned assets.
12. Net positions (net invested in capital assets; restricted; and unrestricted) and fund balances are properly classified and when applicable, approved.
13. Expenses or expenditures have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
14. Revenues are appropriately classified in the statements of activities within program revenues and general revenues.
15. Capital assets, including infrastructure assets, are properly capitalized, reported, and depreciated.
16. We agree with the findings of the actuary specialists used by the City of Midwest, Oklahoma Firefighters Pension and Retirement System (the "OFPRS"), and Oklahoma Police Pension and Retirement System (the "OPPRS") in evaluating the assumptions and financial amounts related to the defined benefit plans and have adequately considered the qualifications of the specialists in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.
17. We have informed you of all uncorrected misstatements.

As of and for the year ended June 30, 2016, we believe that the effects of the uncorrected misstatements aggregated by you and summarized below are immaterial, both individually and in the aggregate, to the opinion units of the financial statements. For purposes of this representation, we consider items to be material, regardless of their amount, if they involve the misstatement or omission of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

Opinion Unit: Governmental Type Activities

Description	Effect - Debit (Credit)				
	Assets	Liabilities	Net Position	Revenue	Expense
Reversed opening equity misstatements	\$ -	\$ -	\$ 96,143	\$ 122,827	(26,684)
Judgmental misstatement - Estimate of loss on legal claim	-	(600,000)	-	-	600,000
Known misstatement related to estimated sick leave payouts for employees between 5-10 years.	-	(347,514)	-	-	347,514
	\$ -	\$ (947,514)	96,143	\$ 122,827	\$ 920,830
Current year effect on net position			1,043,657		
Total			\$ 1,139,800		

Opinion Unit: Business Type Activities

Description	Effect - Debit (Credit)				
	Assets	Liabilities	Net Position	Revenue	Expense
Non-reversed opening equity misstatements	\$ -	\$ -	\$ 771,825	\$ -	(771,825)
To record known misstatements related to estimated sick leave payouts for employees between 5-10 years. (1)	-	(45,704)	-	-	45,704
To record known misstatements related to estimated sick leave payouts for employees between 5-10 years. (2)	-	(37,026)	-	-	37,026
To record misstatement related to non-accrual of accounts payable. (2)	-	(23,405)	-	-	23,405
	<u>\$ -</u>	<u>\$ (106,135)</u>	<u>771,825</u>	<u>\$ -</u>	<u>(665,690)</u>
Current year effect on net position			(665,690)		
Total			<u>\$ 106,135</u>		

(1) Midwest City Municipal Authority Opinion Unit - Total current year effect is \$45,704. The net effect on ending net position is \$45,704.

(2) Aggregate Non-Major Opinion Unit - Total current year effect is \$37,026. The net effect on ending net position is \$37,026.

(3) Midwest City Municipal Authority Opinion Unit - Total current year effect is \$23,405. The net effect on ending net position is \$23,405.

Information Provided

18. We have provided you with:
 - a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters;
 - b. Additional information that you have requested from us for the purpose of the audit;
 - c. Unrestricted access to persons within the City from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of the governing boards and committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
19. All transactions have been recorded in the accounting records and are reflected in the financial statements.
20. We acknowledge our responsibility for the design and implementation of programs and controls to provide reasonable assurance that fraud is prevented and detected.
21. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.
22. We are not aware of any information regarding allegations of fraud or suspected fraud, affecting the City's financial statements involving:
 - a. Management.
 - b. Employees who have significant roles in the internal control.
 - c. Others where the fraud could have a material effect on the financial statements.
23. We have no knowledge of any allegations of fraud or suspected fraud affecting the City's financial statements received in communications from employees, former employees, analysts, regulators, or others.
24. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations whose effects were considered when preparing financial statements.
25. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.
26. We have disclosed to you there are no known related parties. Therefore, there are no known transactions with related parties that require disclosure in the City's financial statements.

27. We are aware of no significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the City's ability to record, process, summarize and report financial data.
28. We are aware of no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
29. During the course of your audit, you may have accumulated records containing data which should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.
30. We have not completed the process of evaluating the effect that will result from adopting the guidance in Governmental Accounting Standards Board (GASB) Statements No. 74,75,77,80, and 83, as discussed in Note 13. The City is therefore unable to disclose the effect that adopting the guidance in the aforementioned GASB Statements may have on its financial position and the results of operations when such guidance is adopted.

Supplementary Information


31. With respect to supplementary information presented in relation to the financial statements as a whole:
 - a. We acknowledge our responsibility for the presentation of such information.
 - b. We believe such information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America.
 - c. The methods of measurement have not changed from the prior period, but the presentation has changed from those used in the prior period due to change in the presentation for the other post-employment benefits in the internal service funds.
 - d. Underlying significant assumptions or interpretations regarding the measurement or presentation of such information are disclosed in the financial statements.
 - e. When supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.
32. With respect to the required supplementary information presented as required by the Governmental Accounting Standards Board to supplement the basic financial statements:
 - a. We acknowledge our responsibility for the presentation of such required supplementary information.
 - b. We believe such required supplementary information is measured and presented in accordance with guidelines prescribed by accounting principles generally accepted in the United States of America and/or budgetary accounting principles as described in the financial statements.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
 - d. Underlying significant assumptions or interpretations regarding the measurement or presentation of such information are disclosed in the financial statements.
 - e. When required supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the required supplementary information no later than the date of issuance of the required supplementary information and the auditor's report thereon.

Compliance Considerations

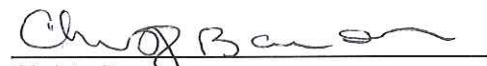
In connection with your audit conducted in accordance with *Government Auditing Standards*, we confirm that management:

33. Is responsible for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework.
34. Is responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to the auditee.
35. Is not aware of any instances that have occurred, or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
36. Is not aware of any instances that have occurred, or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that have a material effect on the determination of financial statement amounts.
37. Is not aware of any instances that have occurred, or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements.
38. Is responsible for the design, implementation and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
39. Acknowledges its responsibility for the design, implementation and maintenance of internal controls to prevent and detect fraud.
40. Has a process to track the status of audit findings and recommendations.

City of Midwest City, Oklahoma


J. Guy Henson
City Manager


Tim Lyon
Assistant City Manager


Christy Barron
Finance Director


Frank Chen
Deputy Finance Director

**Report on Internal Control Over Financial Reporting and
on Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance with
Government Auditing Standards**

Independent Auditor's Report

Honorable Mayor and Members of City Council
City of Midwest City, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Midwest City, Oklahoma, (the City) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 28, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RSM US LLP

Oklahoma City, Oklahoma
December 28, 2016



**CITY OF
MIDWEST CITY, OKLAHOMA**

ANNUAL FINANCIAL REPORT

JUNE 30, 2016

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2016**

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CITY OF MIDWEST CITY, OKLAHOMA
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Independent Auditors' Report

Honorable Mayor and City Council
The City of Midwest City
Midwest City, Oklahoma

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Midwest City, Oklahoma, (the City) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Midwest City, Oklahoma, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of pension plan funding progress and other post-employment benefits funding progress, and the general fund, police fund, and fire fund budgetary comparison schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and the other governmental fund budgetary comparison schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying statistical section, as listed in the table of contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report (under separate cover) dated December 28, 2016, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

RSM US LLP

Oklahoma City, Oklahoma
December 28, 2016

MANAGEMENT DISCUSSION AND ANALYSIS

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2016

The City of Midwest City's Management's Discussion and Analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the City's financial activity, (c) identify changes in the City's financial position (its ability to address the next and subsequent years' challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the City's financial statements beginning on page 18.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the fiscal year ended June 30, 2016, by \$516,929,402 (net position). Of this amount, unrestricted net position of the governmental activities was a deficit of \$20,260,132 with the business type activities reporting an unrestricted net position of \$9,396,345. The unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.
- The Primary Government's total net position decreased by \$3,242,754 or .62% from the prior year. This was a result of a decrease of \$5,847,274 in the governmental activities while the business-type activities had an increase of \$2,604,520. Both revenues and expenses increased over the prior year. The detailed changes made from the Governmental Fund Statements to the Statement of Net Position can be found on page 25.
- The City's total deferred inflows decreased by \$2,385,231 or, 28.68%. 2002 general obligation bond will be paid off in fiscal year 2017 from sinking fund balances instead of property tax, therefore deferred property tax inflows decreased by \$1,239,511. Also, police and fire pension related deferred inflows decreased by \$1,145,720.
- Sales tax is the major source of revenue for governmental activities. Sales and use tax collections for fiscal year 2016 totaled \$33,475,086 compared to FY 2015 which totaled \$33,008,553. The total increase in sales and use tax collection was \$466,533. A historical review of governmental activity revenues can be found in statistical information of the report.
- At the end of the fiscal year 2016, the unassigned fund balance of the General Fund was \$4,257,831 or 14.4% of General Fund revenues.
- Health Insurance premiums decreased \$329,679 from the prior year or 5.88%. This was due to more employees choosing low premium insurance plans offered by the City in fiscal year 2016.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Management's Discussion and Analysis is intended to serve as an introduction to the City of Midwest City's basic financial statements. The City's basic financial statements comprise of three components: (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to the private-sector business.

The Statement of Net Position presents information on all of the City's assets, deferred outflows, liabilities, and deferred inflows with the difference between the four elements reported as net position. Over time, increases or decreases in net position serve as a useful indicator on whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and fines and earned but not used vacation and sick leave as stated in City policy and union contracts). Both the Statement of Net Position and the Statement of Activities are prepared using the accrual basis of accounting as opposed to the modified accrual basis used for Fund Financial Statements of the governmental funds.

In the Statement of Net Position and the Statement of Activities, the City is divided between two types of activities:

- **Governmental activities.** Most of the City's basic services are reported here, including general government, public safety, streets, culture and recreation, health and welfare and economic development. Sales taxes and franchise taxes finance most of these activities as reflected on page 19.
- **Business-type activities.** The City charges a fee to customers to cover the cost of services it provides. The City's utility system (water, sewer, sanitation, and drainage), conference center/hotel, golf, trailer park and industrial park activities are reported here.

Fund Financial Statements. A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. Fund financial statements provide detailed information about the most significant funds, but not the City as a whole. Some funds are required to be established by state law or bond covenants. However, the City Council establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other monies. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

- **Governmental funds.** The majority of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method identified as the modified accrual basis of accounting which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general governmental operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. By comparing information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements, readers may better understand the long-term impact of the

government's near-term financing decisions. The relationship or differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds are detailed in a reconciliation following the fund financial statements on page 23 and 25 of this report.

The City of Midwest City maintains individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General, Police, Fire, and Hospital Authority funds. Data from the debt service fund, 14 special revenue funds, and 6 capital project funds, all of which are considered to be governmental, are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements starting on page 81 of this report.

- **Proprietary funds.** The City charges customers for certain services it provides, whether to outside customers or to other units within the City. These services are generally reported in proprietary funds. Proprietary funds are reported in the same manner that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds (a component of proprietary funds) are similar to the business-type activities that are reported in the Government-wide statements but provide more detail and additional information, such as cash flows. The internal service funds (the other component of proprietary funds) are utilized to report activities that provide supplies and services for the City's other programs and activities, such as the risk management functions, health self-insurance fund, fleet services, surplus property activities and public works function. Because these services benefit both governmental and business-type functions, they have been included in both the governmental and business-type activities in the government-wide financial statements.

The City of Midwest City maintains one major enterprise fund. The City uses this fund to account for its water, sewer, sanitation, conference center/hotel, debt service and drainage operations. The fund provides the same type of information as the government-wide financial statements, only in more detail and includes some of the internal service fund-type activity. The City considers this enterprise fund activity to be a major fund. Data from 6 non-major enterprise funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major enterprise funds is provided in the form of combining statements starting on page 88 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As of June 30, 2016, the City's combined net position is \$516,929,402, of which \$401,793,617 can be attributed to governmental activities and \$115,135,785 is attributed to business-type activities. This analysis focuses on the net position (Table 1) and changes in net position (Table 2) of the City's governmental and business-type activities.

**CITY OF MIDWEST CITY, OKLAHOMA
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The largest portion of the City's net position, 82.5%, reflects its net investment in capital assets (e.g., land, water rights, building, machinery and equipment, less any related debt used to acquire those assets that is still outstanding). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The net change in capital assets can be reviewed in Table 1 with key element changes shown in Table 3.

**TABLE 1
NET POSITION (In Thousands)**

	Governmental Activities		% Inc. (Dec.)	Business-Type Activities		% Inc. (Dec.)	Total Primary Government		% Inc. (Dec.)
	2016	2015		2016	2015		2016	2015	
Current and other assets	\$ 155,954	\$ 154,784	1%	\$ 22,327	\$ 23,240	-4%	\$ 178,281	\$ 178,024	0%
Capital assets	324,230	335,228	-3%	163,369	164,248	-1%	487,599	499,476	-2%
Total assets	480,184	490,012	-	185,696	187,488	-1%	665,880	677,500	-2%
Deferred outflow of resources	7,346	2,737	168%	928	982	-5%	8,274	3,719	122%
Long-term debt outstanding	64,473	61,934	4%	65,962	69,640	-5%	130,435	131,574	-1%
Other liabilities	15,333	14,858	3%	5,527	6,299	-12%	20,860	21,157	-1%
Total liabilities	79,806	76,792	4%	71,489	75,939	-6%	151,295	152,731	-1%
Deferred inflow of resources	5,931	8,316	-29%	-	-	0%	5,931	8,316	-29%
Net position:									
Net investment in capital assets	322,494	331,128	-3%	103,868	100,696	3%	426,362	431,824	-1%
Restricted	99,560	98,153	1%	1,871	2,126	-12%	101,431	100,279	1%
Unrestricted (deficit)	(20,261)	(21,640)	-6%	9,396	9,709	-3%	(10,865)	(11,931)	-9%
Total net position	\$ 401,793	\$ 407,641	-1%	\$ 115,135	\$ 112,531	2%	\$ 516,928	\$ 520,172	-1%

Governmental activities decreased the City's net position by \$5,847,274 or 1.12%. The business type activities increased the City's net position by \$2,604,520 or .2% for a net decrease of \$3,242,754, or .6%. The key elements of these changes are contained in Table 2.

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Table 2
Changes In Net Position
(In Thousands)

	Governmental Activities		% Inc. (Dec.)	Business-Type Activities		% Inc. (Dec.)	Total Primary Government		% Inc. (Dec.)
	2016	2015		2016	2015		2016	2015	
Revenues:									
Program revenues:									
Charges for services	\$ 8,233	\$ 6,825	21%	\$ 28,074	\$ 27,377	3%	\$ 36,307	\$ 34,202	6%
Operating grants and contributions	4,724	4,865	-3%	-	-	0%	4,724	4,865	-3%
Capital grants and contributions	125	2,594	-95%	-	-	0%	125	2,594	-95%
General revenues:									
Sales and use taxes	33,475	33,009	1%	-	-	0%	33,475	33,009	1%
Other taxes	7,308	7,266	1%	-	-	0%	7,308	7,266	1%
Other general revenue	3,704	8,469	-56%	962	1,433	-33%	4,666	9,902	-53%
Total revenues	<u>57,569</u>	<u>63,028</u>	-9%	<u>29,036</u>	<u>28,810</u>	1%	<u>86,605</u>	<u>91,838</u>	-6%
Program expenses:									
General government	7,167	6,431	11%	-	-	-	7,167	6,431	11%
Public safety	28,732	26,748	7%	-	-	-	28,732	26,748	7%
Streets	15,404	14,939	3%	-	-	-	15,404	14,939	3%
Cultural, parks and recreation	1,909	1,641	16%	-	-	-	1,909	1,641	16%
Health and welfare	465	430	8%	-	-	-	465	430	8%
Economic development	4,361	3,845	13%	-	-	-	4,361	3,845	13%
Interest expense	1,462	1,567	-7%	-	-	-	1,462	1,567	-7%
Water	-	-	-	7,008	6,820	3%	7,008	6,820	3%
Sewer	-	-	-	9,408	6,256	50%	9,408	6,256	50%
Sanitation	-	-	-	4,596	4,155	11%	4,596	4,155	11%
Drainage	-	-	-	688	638	8%	688	638	8%
Conference center	-	-	-	7,400	8,858	-16%	7,400	8,858	-16%
Other activities	-	-	-	1,247	1,082	15%	1,247	1,082	15%
Total expenses	<u>59,500</u>	<u>55,601</u>	7%	<u>30,347</u>	<u>27,809</u>	9%	<u>89,847</u>	<u>83,410</u>	8%
Excess (deficiency) before transfers	(1,931)	7,427	-126%	(1,311)	1,001	-231%	(3,242)	8,428	-138%
Transfers	<u>(3,916)</u>	<u>(3,857)</u>	2%	<u>3,916</u>	<u>3,857</u>	2%	<u>-</u>	<u>-</u>	
Increase (decrease) in net position	\$ (5,847)	\$ 3,570	-264%	\$ 2,605	\$ 4,858	-46%	\$ (3,242)	\$ 8,428	-138%

Governmental Activities. The revenues reflect a decrease over last year of \$5,460,461. This significant decrease is primarily the result of decrease in investment income of \$4,859,300. The Hospital Authority had a decrease of \$4,958,658 in investment income over last year. The Hospital Authority is the only fund authorized to invest in the stock market which can result in large fluctuations based on the market performance. All other fund investments are FDIC insured, collateralized or direct obligations of the United State Government.

The most significant governmental activities expense was providing public safety with a cost of \$28,732,258. These expenses were funded by revenue collected from a variety of sources with the largest being a transfer from General Fund in the amount of \$17,469,337 and dedicated sales tax of \$5,464,697 for the fiscal year ended June 30, 2016. The most significant portion of public safety expense is the cost of personnel. Salaries and benefits totaled \$25,378,074 Other significant governmental expenses are for the streets in the amount of \$15,404,119 of which \$11,945,366 is depreciation expense.

Business-type Activities. Business-type revenue increased by \$226,677 or 2.3% from the prior year. The investment income decreased from \$1,431,852 to \$889,843 due to the unrealized loss on investments in FY 2016.

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Budgetary Highlights. For fiscal year 2015-2016, General Fund revenue (including transfers) budget was amended by \$482,136 or 1.27% of the original budget of \$37,419,532. The actual revenue (including transfers) is less than the final budget projection by \$106,031, or 0.28%. General Fund actual expenditures (including transfers) on a budgetary basis was \$36,346,390 compared to the final budget of \$38,294,807. See page 74 of the report for more detail.

The Police Fund revenue (including transfers) budget was increased by \$173,623, or 1.34%, of the original budget of \$12,789,952. The actual revenue (including transfers) is more than the final budget projection by \$17,075 or 0.13%. The actual expenditures (including transfers) on a budgetary basis were \$12,718,926 compared to the final budget of \$13,853,779. Actual expenditures (including transfers) were \$1,134,853 or 8.19% below budget projections. Some vacant positions were budgeted but not staffed. Capital outlay of \$575,670 for equipment was not spent.

The Fire Fund revenues (including transfers) budget was amended by \$134,383 or 1.27%. The actual revenue (including transfers) was less than the final budget projection by \$72,408. The actual expenditures (including transfers) on a budgetary basis were \$10,284,339 compared to the final budget of \$11,176,072. Actual expenditures (including transfers) were \$891,733 or 7.69 % below projections. Some vacant positions were budgeted but not staffed. Capital outlay appropriation of \$439,503 was not spent.

The budget to actual comparisons for these funds can be found on pages 75-78 of the report.

Capital Asset At the end of fiscal year 2016, the City had \$487,599,772 invested in a broad range of capital assets, including police and fire equipment, buildings, conference center and hotel, park facilities, roads, bridges, water and sewer facilities and distribution systems. This amount represents a net decrease (including additions and deductions) of \$10,538,497 for the governmental activities. Although the City had land additions of \$138,198, building additions of \$165,912, equipment additions of \$730,668, vehicle additions of \$539,440, construction in progress additions of \$1,732,064 and infrastructure additions of \$1,199,058; the depreciation expense of \$14,406,124 caused the current year reduction, with street depreciation for the year amounting to of \$11,945,366.

The business activities had a net increase of \$824,348. The Sewer Facility construction in progress of \$65,437,015 was moved to the infrastructure category upon completion of the project. Table 3 reflects the net key elements that make up the capital assets by type and source.

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**TABLE 3
Capital Assets
(In Thousands)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	2016	2015	2016	2015	2016	2015
Land	\$ 32,682	\$ 32,544	\$ 7,572	\$ 7,550	\$ 40,254	\$ 40,094
Water rights	-	-	4,673	4,673	4,673	4,673
Construction in progress	4,661	3,519	2,443	66,463	7,104	69,982
Buildings	29,551	29,385	31,966	31,363	61,517	60,748
Machinery and equipment	19,998	19,328	13,182	12,925	33,180	32,253
Vehicles	9,235	9,047	8,367	8,032	17,602	17,079
Infrastructure	440,578	439,838	178,922	110,923	619,500	550,761
	<u>536,705</u>	<u>533,661</u>	<u>247,125</u>	<u>241,929</u>	<u>783,830</u>	<u>775,590</u>
Less: Depreciation	<u>(212,476)</u>	<u>(198,433)</u>	<u>(83,755)</u>	<u>(77,679)</u>	<u>(296,231)</u>	<u>(276,112)</u>
Totals	\$ 324,229	\$ 335,228	\$ 163,370	\$ 164,250	\$ 487,599	\$ 499,478

Additional information on the City's capital assets can be found on pages 48-49 of this report.

Debt Administration. At year end, the City had \$93,076,634 in long term debt outstanding compared to \$98,605,500 at the end of the prior fiscal year, a decrease of 5.6% as shown in Table 4. See pages 52-55 for a more in depth review of long-term debt.

**TABLE 4
Long-Term Debt
(In Thousands)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	2016	2015	2016	2015	2016	2015
General obligation bonds	\$ 2,700	\$ 4,100	\$ -	\$ -	\$ 2,700	\$ 4,100
Notes payable	21,983	22,592	216	428	22,199	23,020
Accrued compensated absences	5,044	4,215	57,860	61,915	62,904	66,130
Revenue bonds	-	-	2,353	2,619	2,353	2,619
Revenue bonds premium	-	-	1,468	1,434	1,468	1,434
Refundable deposits	78	82	1,374	1,221	1,452	1,303
	<u>29,805</u>	<u>30,989</u>	<u>63,271</u>	<u>67,617</u>	<u>93,076</u>	<u>98,606</u>
Totals	\$ 29,805	\$ 30,989	\$ 63,271	\$ 67,617	\$ 93,076	\$ 98,606

FACTORS AFFECTING FINANCIAL CONDITION

Economic Outlook. Oklahoma's unemployment rate continues inching toward the national average, which is negative news in a state that had been the trendsetter in new job creation prior to 2014. Nevertheless, eastern Oklahoma County has been somewhat insulated from the energy sector downturn thanks to good jobs in and around Tinker Air Force Base. Boeing Aircraft during the next calendar year is expected to add approximately 400 more positions to its campus on SE 59th ST, just south of the City limits. The city expects continued slow growth in some of the companies that service Tinker Air Force Base, Boeing and the like.

We offer the following review of local economic sectors:

- **Retail.** In the past year the Sooner Rose Shopping Center has risen from the intersection of SE 15th ST and S Sooner RD with Academy Sports + Outdoors and Hobby Lobby as its first tenants.

A new center is coming online at 2601 S Douglas BLVD that is reportedly 60% pre-leased. Another is in the works at 1011 S Air Depot BLVD, but construction is moving very slowly. A small center is also planned for the 2300 block of S Douglas BLVD.

The biggest retail “splash” is expected to be the completion of the WinCo Foods store sometime in late 2017. While the start of construction will create spikes in use tax collections, we do not expect doors to open until late this fiscal year or early in FY 2017 – 2018.

OnCue Express is vigorously working to complete its third location in Midwest City. The latest store will be situated at the SW corner of NE 23rd ST (U.S. Highway 62) and N Douglas BLVD on the north side of the city.

- **Hospitality.** Restaurant activity has been a great source of sales tax collections that remains virtually unaffected by e-commerce. More and more families are choosing to dine out, and we feel this trend will continue into 2017.

Zaxby’s Chicken continues making rapid progress on its new location on S Douglas BLVD where it will join the recently completed Freddy’s Frozen Custard & Steakhburgers on our east restaurant row.

Meanwhile, there are at least six new restaurant pad sites in the works including two at the Sooner Rose Center, three in the S Douglas BLVD corridor and another in TCP. We are also working to recruit restaurants to the area around the new OnCue. No building plans have been filed and no start dates have been announced on any of these projects.

The lodging business is not doing quite as well. Hotels are being erected in many parts of the OKC Metro area; however, they may be three years too late. A lot of franchisees overbuilt based on the strength of oilfield traffic, but overall room availability frequently exceeds demand. Midwest City has a Hilton Home 2 Suites that will contribute another 91 rooms to this surplus when it opens in 2017.

- **Industrial.** The Soldier Creek Industrial Park (“SCIP”) was recently certified by the Oklahoma Department of Commerce as being a “Site Ready” light industrial park. The preliminary plat was approved in November and all utilities should be installed in early 2017. The completion of SCIP’s first phase opens up approximately 40 acres up for industrial development with over 100 undeveloped acres remaining in the neighboring area. The city has responded to two Oklahoma Department of Commerce requests for proposals for manufacturing facilities where SCIP may be a good candidate. The city has also seen some fleeting interest in the 107,000 ft.² Chromalloy building which has long been vacant.

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- **Office and Professional.** The glut of Metro area hotel rooms leftover from the decrease in energy sector activities may only be surpassed by the amount of office space available. Significant vacancies remain citywide in Class B and Class C office space. The silver lining lies in the fact there was a shortage of Class A space before the Boom that still exists. In fact, Midwest City’s only new Class A space, Mid-Town Office Park, seems to be doing well and there may be plans for expansion. Although office development does not produce sales tax revenue, the number of type of jobs being created is advantageous to the local economy.

FY 2016-2017 Budgets and Rates. The fiscal year 2016-2017 expenditure budgets presented to the Council and Board of Trustees was \$100,987,189, which is net of \$48,975,154 inter/intra-fund transfers.

The three major governmental funds reflect the following budgets adopted for FY 16-17:

	<u>Revenues</u>	<u>Transfers In</u>	<u>Expenditures</u>	<u>Transfer Out</u>	<u>(Use) of Fund Balance</u>
General	\$26,927,381	\$10,817,890	\$12,189,935	\$26,232,963	(\$677,627)
Police	\$ 2,835,897	\$ 9,825,091	\$12,906,635	\$ 234,000	(\$479,647)
Fire	\$ 2,327,040	\$ 7,957,488	\$10,318,247	\$ 378,500	(\$412,219)

Personal services were budgeted with the merit steps included for all pay plans; non-represented, police and fire. A 1.0% cost of living (COLA) was included for all non-represented employees. The non-represented employees participate in a defined contribution plan; the contribution by the City is 14%.

Through later negotiations, a total of 0.5% increase was implemented for police. The statutory contribution requirement for the police defined benefit pension plan will remain the same at 21% in which 13% is to be paid by the City and 8% by the employee.

Through later negotiations, a total of 2.3% increase was implemented for fire. The statutory contribution requirement for fire defined benefit pension plan will remain the same at 23%. The City currently pays 18% and the employee pays 5%.

The City through self-insurance sponsors medical, prescription and dental insurance to full time employees and qualifying retirees and their families. Annual health insurance premium amounts are established by the City Council. The “Affordable Care Act” (ACA) has certain costs that are not to be passed on to the employee or retiree. For FY 2016-2017 the budgeted is \$112,537.

City is currently offering two medical insurance plans, Blue Option Plan and Blue Preferred Plan. Blue Preferred Plan has lower premium with a reduced network to employees.

Emergency reserves are contained in the operational fund budgets of the City. The General fund is required to maintain a 10% reserve while all others are required to maintain a 5% reserve. The reserves are equal to the annual operating budget less transfer outs and capital outlay. The reserves are only accessible if a significant event should occur such as a downturn in the economy greatly affecting the funding of the City’s operations, uses for natural disasters or one-time non-recurring emergency that disrupts the cash receipts of the City. With this resolution in place for maintaining a reserve, the City

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becomes more financially stable and better equipped to handle any unforeseen emergencies or major loss of revenues.

Request for Information. This financial report is designed to provide a general overview of the City's finances, comply with finance-related laws, regulations and demonstrate the City's commitment to public accountability. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City of Midwest City, Finance Department, 100 N. Midwest Boulevard, Midwest City, Oklahoma 73110.

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BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE

CITY OF MIDWEST CITY, OKLAHOMA
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Statement of Net Position– June 30, 2016

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 14,954,984	\$ 2,913,820	\$ 17,868,804
Cash and cash equivalents, restricted	-	2,887,325	2,887,325
Investments	104,793,098	12,556,389	117,349,487
Accounts receivable, net	5,155,745	3,204,010	8,359,755
Interest receivable	66,582	22,430	89,012
Other receivable	19,826	86,303	106,129
Inventory	113,639	249,589	363,228
Internal balances	785,480	(785,480)	-
Prepaid items	4,615	-	4,615
Due from other governments	4,974,080	-	4,974,080
Lease receivable	20,169,837	-	20,169,837
Deposits held by others	4,915,851	-	4,915,851
Investments, non- current, restriced	-	1,193,028	1,193,028
Capital assets:			
Land, water rights, and construction in progress	37,343,012	14,688,433	52,031,445
Other capital assets, net of depreciation	286,887,366	148,680,961	435,568,327
Total assets	<u>480,184,115</u>	<u>185,696,808</u>	<u>665,880,923</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding	-	927,989	927,989
Deferred amount related to pensions	7,346,012	-	7,346,012
Total deferred outflows	<u>7,346,012</u>	<u>927,989</u>	<u>8,274,001</u>
LIABILITIES			
Accounts payable and accrued liabilities	2,613,032	4,295,881	6,908,913
Wages payable	1,429,863	453,525	1,883,388
Claims payable	2,353,088	-	2,353,088
Due to other governments	8,550	-	8,550
Accrued interest payable	34,214	777,621	811,835
Unearned revenue	8,894,591	-	8,894,591
Long-term liabilities:			
Due within one year	3,789,945	5,071,939	8,861,884
Due in more than one year	60,682,556	60,890,047	121,572,603
Total liabilities	<u>79,805,839</u>	<u>71,489,013</u>	<u>151,294,852</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred amount related to pensions	5,638,139	-	5,638,139
Deferred amount related to property taxes	292,532	-	292,532
Total deferred inflows	<u>5,930,671</u>	<u>-</u>	<u>5,930,671</u>
NET POSITION			
Net investment in capital assets	322,493,871	103,868,269	426,362,140
Restricted for:			
Debt service	1,434,476	1,871,171	3,305,647
Hospital	76,250,368	-	76,250,368
Capital improvements	11,587,425	-	11,587,425
Public Safety	6,584,361	-	6,584,361
Street operations	1,506,138	-	1,506,138
Culture and recreation	1,436,763	-	1,436,763
Economic Development	732,604	-	732,604
Other	27,743	-	27,743
Unrestricted (deficit)	(20,260,132)	9,396,344	(10,863,788)
Total net position	<u>\$ 401,793,617</u>	<u>\$ 115,135,784</u>	<u>\$ 516,929,401</u>

See accompanying notes to the basic financial statements.

CITY OF MIDWEST CITY, OKLAHOMA
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Statement of Activities –Year Ended June 30, 2016

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government							
Governmental activities							
General government	\$ 7,166,992	\$ 3,499,283	\$ 164,975	\$ -	\$ (3,502,734)	\$ -	\$ (3,502,734)
Public safety	28,732,258	2,629,817	3,591,649	27,230	(22,483,562)	-	(22,483,562)
Streets	15,404,119	141,648	529,784	15,467	(14,717,220)	-	(14,717,220)
Culture and recreation	1,909,102	505,466	63,554	-	(1,340,082)	-	(1,340,082)
Health and welfare	464,889	-	-	-	(464,889)	-	(464,889)
Economic development	4,360,854	1,456,957	374,374	82,309	(2,447,214)	-	(2,447,214)
Interest expense	1,461,517	-	-	-	(1,461,517)	-	(1,461,517)
Total governmental activities	<u>59,499,731</u>	<u>8,233,171</u>	<u>4,724,336</u>	<u>125,006</u>	<u>(46,417,218)</u>	<u>-</u>	<u>(46,417,218)</u>
Business-type activities:							
Water	7,007,982	7,202,813	-	-	-	194,831	194,831
Wastewater	9,408,356	8,018,367	-	-	-	(1,389,989)	(1,389,989)
Sanitation	4,595,959	5,910,071	-	-	-	1,314,112	1,314,112
Drainage	688,044	480,287	-	-	-	(207,757)	(207,757)
Conference center	7,399,848	5,343,154	-	-	-	(2,056,694)	(2,056,694)
Golf	1,195,429	1,119,514	-	-	-	(75,915)	(75,915)
Mobile home park	27,279	145	-	-	-	(27,134)	(27,134)
Industrial park	23,988	-	-	-	-	(23,988)	(23,988)
Total business-type activities	<u>30,346,885</u>	<u>28,074,351</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,272,534)</u>	<u>(2,272,534)</u>
Total primary government	<u>\$ 89,846,616</u>	<u>\$ 36,307,522</u>	<u>\$ 4,724,336</u>	<u>\$ 125,006</u>	<u>(46,417,218)</u>	<u>(2,272,534)</u>	<u>(48,689,752)</u>
General revenues:							
Taxes:							
Sales and use taxes					33,475,086	-	33,475,086
Property tax					3,630,576	-	3,630,576
Franchise and public service taxes					2,610,661	-	2,610,661
Hotel/motel taxes					597,837	-	597,837
Intergovernmental revenue not restricted to specific programs					467,541	-	467,541
Investment income					3,113,120	889,842	4,002,962
Miscellaneous					590,695	71,639	662,334
Transfers - internal activity					(3,915,572)	3,915,572	-
Total general revenues and transfers					<u>40,569,944</u>	<u>4,877,053</u>	<u>45,446,997</u>
Change in net position					(5,847,274)	2,604,519	(3,242,755)
Net position - beginning					407,640,891	112,531,265	520,172,156
Net position - ending					<u>\$ 401,793,617</u>	<u>\$ 115,135,784</u>	<u>\$ 516,929,401</u>

See accompanying notes to the basic financial statements.

**CITY OF MIDWEST CITY, OKLAHOMA
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BASIC FINANCIAL STATEMENTS - GOVERNMENTAL FUNDS

CITY OF MIDWEST CITY, OKLAHOMA
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Governmental Funds Balance Sheet - June 30, 2016

	<u>General Fund</u>	<u>Police Fund</u>	<u>Fire Fund</u>	<u>Midwest City Hospital Authority</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and cash equivalents	\$ 1,298,525	\$ 457,990	\$ 290,458	\$ 8,417,710	\$ 3,659,454	\$ 14,124,137
Investments	4,839,610	2,190,477	1,426,233	77,142,586	14,717,346	100,316,252
Receivables:						
Accounts receivable	1,179,309	70,720	923	3,128,469	691,458	5,070,879
Accrued interest receivable	10,453	3,416	2,624	6,779	32,131	55,403
Due from other funds	41,968	1,134,461	852,411	2,689	828,455	2,859,984
Deposits held by others	-	-	-	4,223,251	692,600	4,915,851
Prepaid items	4,615	-	-	-	-	4,615
Other receivable	15,177	4,475	874	-	-	20,526
Due from other governments	2,868,013	351,718	314,360	-	1,439,989	4,974,080
Inventory	-	-	-	-	60,000	60,000
Advance from other funds	1,271,817	-	-	181,059	141,476	1,594,352
Total assets	<u>\$ 11,529,487</u>	<u>\$ 4,213,257</u>	<u>\$ 2,887,883</u>	<u>\$ 93,102,543</u>	<u>\$ 22,262,909</u>	<u>\$ 133,996,079</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ 291,273	\$ 8,014	\$ 13,079	\$ 1,070,391	\$ 911,051	\$ 2,293,808
Accrued interest payable	-	-	-	-	-	-
Wages payable	402,112	520,577	380,554	3,868	73,623	1,380,734
Unearned revenue	-	-	-	8,894,591	-	8,894,591
Refundable deposits - court	78,055	-	-	-	-	78,055
Due to other funds	1,881,934	-	-	846,845	723,800	3,452,579
Due to other governments	8,550	-	-	-	-	8,550
Advance to other funds	141,476	-	1,271,817	-	62,340	1,475,633
Total liabilities	<u>2,803,400</u>	<u>528,591</u>	<u>1,665,450</u>	<u>10,815,695</u>	<u>1,770,814</u>	<u>17,583,950</u>
Deferred inflows of resources:						
Unavailable revenue	912,119	57,609	-	549,109	566,403	2,085,240
Fund balances:						
Nonspendable	1,276,432	-	-	4,223,251	752,600	6,252,283
Restricted	1,572,213	3,496,564	1,222,433	77,514,488	16,976,545	100,782,243
Assigned	1,979,309	130,493	-	-	2,258,887	4,368,689
Unassigned (deficit)	2,986,014	-	-	-	(62,340)	2,923,674
Total fund balances	<u>7,813,968</u>	<u>3,627,057</u>	<u>1,222,433</u>	<u>81,737,739</u>	<u>19,925,692</u>	<u>114,326,889</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 11,529,487</u>	<u>\$ 4,213,257</u>	<u>\$ 2,887,883</u>	<u>\$ 93,102,543</u>	<u>\$ 22,262,909</u>	<u>\$ 133,996,079</u>

See accompanying notes to the basic financial statements.

CITY OF MIDWEST CITY, OKLAHOMA
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Reconciliation of Governmental Funds and Government-Wide Financial Statements:

Fund Balance – Net Position Reconciliation – June 30, 2016:

Fund balances of governmental funds	\$ 114,326,889
 Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$211,431,196	<u>323,266,885</u>
Certain long-term assets are not available to pay for current fund liabilities and, therefore, along with deferred outflows, are a deferred outflow of resources in the funds or not reported in the funds:	
Due from other governments	113,773
Other receivable, net of allowance	1,678,935
HMA hospital receivable	<u>20,169,837</u>
	<u>21,962,545</u>
Certain deferred outflows are not available to pay current period expenditures and certain long-term liabilities and deferred inflows are not due and payable from current financial resources, and therefore, are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.	
Pension related deferred outflows	7,346,012
Net pension liability	(27,828,299)
Pension related deferred inflows	<u>(5,638,139)</u>
	<u>(26,120,426)</u>
Internal service funds are used by management to charge the cost of certain activities to individual funds. An allocation of the assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	<u>4,490,490</u>
Certain long-term liabilities are not due and payable from current financial resources and, therefore, along with deferred inflows, are not reported in the funds:	
General obligation bonds payable	(2,700,000)
Notes payable	(21,983,066)
Accrued compensated absences	(4,904,866)
OPEB Obligation - obligation shared by governmental function \$2,320,819, police \$2,505,664, and fire \$1,684,135	(6,510,620)
Accrued interest payable	<u>(34,214)</u>
	<u>(36,132,766)</u>
Net position of governmental activities	<u><u>\$ 401,793,617</u></u>

See accompanying notes to the basic financial statements.

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2016

Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances – Year Ended June 30, 2016

	<u>General Fund</u>	<u>Police Fund</u>	<u>Fire Fund</u>	<u>Midwest City Hospital Authority</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES						
Taxes	\$ 23,308,700	\$ 2,885,595	\$ 2,579,102	\$ 935,362	\$ 10,588,220	\$ 40,296,979
Intergovernmental	881,619	837,945	2,447,937	-	1,200,457	5,367,958
Charges for services	2,273,604	102,497	23,019	-	1,859,931	4,259,051
Fines and forfeitures	1,690,351	125,594	-	-	155,201	1,971,146
Licenses and permits	367,757	2,600	9,990	-	187,595	567,942
Investment income	329,678	111,760	49,018	2,125,093	930,813	3,546,362
Miscellaneous	602,192	45,549	52,181	975,342	263,672	1,938,936
Total revenues	<u>29,453,901</u>	<u>4,111,540</u>	<u>5,161,247</u>	<u>4,035,797</u>	<u>15,185,889</u>	<u>57,948,374</u>
EXPENDITURES						
Current:						
General government	5,409,617	-	-	1,412,994	560,804	7,383,415
Public safety	923,340	13,267,060	12,102,205	-	724,084	27,016,689
Streets	2,754,360	-	-	-	93,943	2,848,303
Culture and recreation	1,024,887	-	-	-	477,680	1,502,567
Health and welfare	413,564	-	-	-	-	413,564
Economic development	2,866,830	-	-	-	1,048,025	3,914,855
Capital outlay	478,422	257,123	99,342	37,633	3,561,019	4,433,539
Debt service:						
Principal retirement	-	-	-	608,693	1,400,000	2,008,693
Interest and fiscal charges	8,238	-	51,426	1,245,046	191,891	1,496,601
Total expenditures	<u>13,879,258</u>	<u>13,524,183</u>	<u>12,252,973</u>	<u>3,304,366</u>	<u>8,057,446</u>	<u>51,018,226</u>
Excess (deficiency) of revenues over expenditures	<u>15,574,643</u>	<u>(9,412,643)</u>	<u>(7,091,726)</u>	<u>731,431</u>	<u>7,128,443</u>	<u>6,930,148</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	10,803,483	9,703,727	7,778,045	300,000	1,154,644	29,739,899
Transfers out	<u>(25,971,414)</u>	<u>(34,433)</u>	<u>(191,946)</u>	<u>(300,150)</u>	<u>(7,154,378)</u>	<u>(33,652,321)</u>
Total other financing sources and uses	<u>(15,167,931)</u>	<u>9,669,294</u>	<u>7,586,099</u>	<u>(150)</u>	<u>(5,999,734)</u>	<u>(3,912,422)</u>
Net change in fund balances	406,712	256,651	494,373	731,281	1,128,709	3,017,726
Fund balances - beginning	7,407,256	3,370,406	728,060	81,006,458	18,796,983	111,309,163
Fund balances - ending	<u>\$ 7,813,968</u>	<u>\$ 3,627,057</u>	<u>\$ 1,222,433</u>	<u>\$ 81,737,739</u>	<u>\$ 19,925,692</u>	<u>\$ 114,326,889</u>

See accompanying notes to the basic financial statements.

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2016**

Changes in Fund Balances – Changes in Net Position Reconciliation – Year Ended June 30, 2016:

Net change in fund balances - total governmental funds: \$ 3,017,726

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:

Capital asset purchases capitalized	3,885,312
Capital asset donated	15,467
Loss on disposal of capital assets	(506,620)
Depreciation expense	(14,337,983)
	(10,943,824)

In the Statement of Activities, the net cost of pension benefits earned is calculated and reported as pension expense. The fund financial statements report pension contributions as pension expenditures. This amount represents the difference between pension contributions and calculated pension expense.

1,753,171

Repayment of debt principal is an expenditure and collections of leasehold receivables are a revenue in the governmental funds. However, the repayments reduce long-term liabilities or the long-term assets in the Statement of Net Position:

Leasehold receivable receipts	(489,098)
Note payable principal payments	608,693
General obligation bond principal payments	1,400,000
	1,519,595

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:

Change in unavailable revenue	259,259
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:

Change in OPEB obligation	(163,877)
Change in accrued interest payable	(21,376)
Change in accrued compensated absences	(814,013)
	(999,266)

Internal service fund activity is reported as a proprietary fund in fund financial statements, but certain net revenues/expenses are reported in governmental activities on the Statement of Activities.

Total change in net position for internal service funds	(453,935)
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Change in net position of governmental activities	\$ (5,847,274)
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See accompanying notes to the basic financial statements.

BASIC FINANCIAL STATEMENTS - PROPRIETARY FUNDS

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2016**

Proprietary Funds Statement of Net Position - June 30, 2016

	<u>Midwest City Municipal Authority</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total</u>	<u>Internal Service Funds</u>
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 2,443,647	\$ 419,020	\$ 2,862,667	\$ 882,000
Cash and cash equivalents, restricted	2,652,850	234,475	2,887,325	-
Investments	10,426,510	1,897,104	12,323,614	4,709,621
Accounts receivable, net	3,134,204	69,806	3,204,010	84,166
Other receivable	82,954	3,349	86,303	-
Accrued interest receivable	19,280	3,150	22,430	11,179
Inventory	246,468	3,121	249,589	53,639
Due from other funds	735,120	907,733	1,642,853	599
Total current assets	<u>19,741,033</u>	<u>3,537,758</u>	<u>23,278,791</u>	<u>5,741,204</u>
Non-current assets:				
Investments, restricted	-	1,193,028	1,193,028	-
Advance from other funds	1,393,125	-	1,393,125	-
Land, construction in progress, and water rights	8,465,248	6,223,185	14,688,433	1,141
Other capital assets, net	138,053,194	10,472,983	148,526,177	1,117,136
Total non-current assets	<u>147,911,567</u>	<u>17,889,196</u>	<u>165,800,763</u>	<u>1,118,277</u>
Total assets	<u>167,652,600</u>	<u>21,426,954</u>	<u>189,079,554</u>	<u>6,859,481</u>
DEFERRED OUTFLOW OF RESOURCES				
Deferred amount on refunding	927,989	-	927,989	-
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	4,090,530	202,093	4,292,623	329,951
Claims liability	-	-	-	1,101,088
Wages payable	349,031	69,820	418,851	76,334
Due to other funds	741,384	72,550	813,934	236,923
Accrued interest payable	777,621	-	777,621	-
Accrued compensated absences	354,380	75,338	429,718	96,021
Refundable deposits	48,208	143,230	191,438	-
Notes payable	216,090	-	216,090	-
Revenue bonds payable	4,185,000	-	4,185,000	-
Total current liabilities	<u>10,762,244</u>	<u>563,031</u>	<u>11,325,275</u>	<u>1,840,317</u>
Non-current liabilities:				
Accrued compensated absences	644,838	150,677	795,515	192,041
Claims liability	-	-	-	1,252,000
Net OPEB obligation	2,074,362	451,841	2,526,203	492,917
Advance to other funds	-	1,511,844	1,511,844	-
Refundable deposits	-	1,276,614	1,276,614	-
Revenue bonds payable, net	56,028,024	-	56,028,024	-
Total non-current liabilities	<u>58,747,224</u>	<u>3,390,976</u>	<u>62,138,200</u>	<u>1,936,958</u>
Total liabilities	<u>69,509,468</u>	<u>3,954,007</u>	<u>73,463,475</u>	<u>3,777,275</u>
NET POSITION				
Net investment in capital assets	87,017,317	16,696,168	103,713,485	1,118,277
Restricted for debt service	1,871,171	-	1,871,171	-
Restricted for other purposes	-	314,423	314,423	-
Unrestricted	10,182,633	462,356	10,644,989	1,963,929
Total net position	<u>\$ 99,071,121</u>	<u>\$ 17,472,947</u>	<u>\$ 116,544,068</u>	<u>\$ 3,082,206</u>

Some amounts reported for business-type activities in the Statement of Net Position are different because certain internal service fund balances are included with business-type activities and reported as interfund balances

(1,408,284)

Total net position per Government-Wide financial statements

\$ 115,135,784

See accompanying notes to the basic financial statements.

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2016

Proprietary Funds Statement of Revenues, Expenses, and Changes in Net Position - Year Ended June 30, 2016

	Midwest City Municipal Authority	Nonmajor Enterprise Funds	Total	Internal Service Funds
OPERATING REVENUES				
Charges for services	\$ 25,802,731	\$ 2,150,985	\$ 27,953,716	\$ 10,341,515
Fees, licenses and permits	32,050	-	32,050	-
Miscellaneous	24,578	-	24,578	76,618
Total operating revenues	<u>25,859,359</u>	<u>2,150,985</u>	<u>28,010,344</u>	<u>10,418,133</u>
OPERATING EXPENSES				
Personal services	9,867,376	1,636,489	11,503,865	2,265,596
Materials and supplies	3,522,665	216,986	3,739,651	1,393,724
Other services and charges	7,660,414	310,379	7,970,793	4,326,559
Insurance claims and expense	-	-	-	3,543,711
Depreciation and amortization	4,925,468	514,933	5,440,401	101,470
Total operating expenses	<u>25,975,923</u>	<u>2,678,787</u>	<u>28,654,710</u>	<u>11,631,060</u>
Operating income (loss)	<u>(116,564)</u>	<u>(527,802)</u>	<u>(644,366)</u>	<u>(1,212,927)</u>
NON-OPERATING REVENUES (EXPENSES)				
Investment income	724,383	165,459	889,842	323,171
Interest expense and fiscal charges	(1,244,791)	(29,964)	(1,274,755)	-
Gain on asset retirement	1,383	4,645	6,028	-
Other non-operating revenue	-	151,169	151,169	-
Total non-operating revenue (expenses)	<u>(519,025)</u>	<u>291,309</u>	<u>(227,716)</u>	<u>323,171</u>
Income (loss) before transfers	<u>(635,589)</u>	<u>(236,493)</u>	<u>(872,082)</u>	<u>(889,756)</u>
Capital contributions	-	3,591	3,591	-
Transfers in	16,654,305	1,533,070	18,187,375	-
Transfers out	<u>(14,123,997)</u>	<u>(149,649)</u>	<u>(14,273,646)</u>	<u>(4,898)</u>
Change in net position	1,894,719	1,150,519	3,045,238	(894,654)
Total net position - beginning	97,176,402	16,322,428	113,498,830	3,976,860
Total net position - ending	<u>\$ 99,071,121</u>	<u>\$ 17,472,947</u>	<u>\$ 116,544,068</u>	<u>\$ 3,082,206</u>
Change in net position per above			\$ 3,045,238	
Some amounts reported for business-type activities in the Statement of Activities are different because the net revenue (expense) of certain internal service funds is reported with business-type activities			(440,719)	
Change in Business-Type Activities in Net Position per Government-Wide Financial Statements			<u>\$ 2,604,519</u>	

See accompanying notes to the basic financial statements.

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2016

Proprietary Funds Statement of Cash Flows - Year Ended June 30, 2016

	Midwest City Municipal Authority	Nonmajor Enterprise Funds	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 25,974,709	\$ 2,302,286	\$ 28,276,995	\$ 10,370,354
Payments to suppliers	(10,614,270)	(1,064,255)	(11,678,525)	(5,653,876)
Payments to employees	(9,342,443)	(1,469,910)	(10,812,353)	(1,719,577)
Receipts (payments) from interfund loans	(334,139)	(823,877)	(1,158,016)	12,472
Receipt of customer deposits	-	520,622	520,622	-
Return of customer deposits	-	(492,830)	(492,830)	-
Claims and benefits paid	-	-	-	(3,807,391)
Net cash provided by (used in) operating activities	5,683,857	(1,027,964)	4,655,893	(798,018)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	16,654,305	1,533,070	18,187,375	-
Transfers to other funds	(14,123,997)	(149,649)	(14,273,646)	(4,898)
Net cash provided by (used in) noncapital financing activities	2,530,308	1,383,421	3,913,729	(4,898)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital assets purchased	(4,588,249)	(826,084)	(5,414,333)	(21,926)
Principal paid on capital debt	(4,267,039)	-	(4,267,039)	-
Proceeds from interfund loan for capital purchases	-	1,398,797	1,398,797	-
Payments of interfund loan for capital purchases	(211,986)	(176,727)	(388,713)	-
Interest and fiscal charges paid on capital debt	(1,501,674)	(29,964)	(1,531,638)	-
Proceeds from sale of capital assets	4,966	4,645	9,611	-
Net cash provided by (used in) capital and related financing activities	(10,563,982)	370,667	(10,193,315)	(21,926)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	1,177,069	(844,058)	333,011	222,586
Interest and dividends	686,887	162,043	848,930	309,492
Net cash provided by (used in) investing activities	1,863,956	(682,015)	1,181,941	532,078
Net increase (decrease) in cash and cash equivalents	(485,861)	44,109	(441,752)	(292,764)
Balances - beginning of year	5,582,358	609,386	6,191,744	1,174,764
Balances - end of year	\$ 5,096,497	\$ 653,495	\$ 5,749,992	\$ 882,000
Reconciliation to Statement of Net Position:				
Cash and cash equivalents	\$ 2,443,647	\$ 419,020	\$ 2,862,667	\$ 882,000
Restricted cash and cash equivalents	2,652,850	234,475	2,887,325	-
Total cash and cash equivalents	\$ 5,096,497	\$ 653,495	\$ 5,749,992	\$ 882,000
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ (116,564)	\$ (527,802)	\$ (644,366)	\$ (1,212,927)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	4,925,468	514,933	5,440,401	101,470
Loss on impairment of capital asset	826,576	-	826,576	-
Other nonoperating revenue	-	151,169	151,169	-
Change in assets and liabilities:				
Receivables, net	(130,064)	132	(129,932)	(47,779)
Other receivable	238,964	-	238,964	-
Due from other funds	(664,325)	(837,469)	(1,501,794)	(524)
Inventory	(13,402)	(418)	(13,820)	14,851
Accounts payable	(244,365)	(536,472)	(780,837)	179,359
Claims liability	-	-	-	(391,483)
Due to other funds	330,186	13,592	343,778	12,996
Due to employees	54,961	6,479	61,440	12,220
Refundable deposits	6,450	27,792	34,242	-
Net OPEB obligation	363,501	139,103	502,604	492,917
Accrued compensated absences	106,471	20,997	127,468	40,882
Net cash provided by (used in) operating activities	\$ 5,683,857	\$ (1,027,964)	\$ 4,655,893	\$ (798,018)

See accompanying notes to the basic financial statements.

FOOTNOTES TO BASIC FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

The City of Midwest City's (the "City") accounting and financial reporting policies conform to accounting principles generally accepted in the United State of America (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

1.A. Financial Reporting Entity

The City of Midwest City – operates the public safety, health and welfare, streets and highways, parks and recreation, and administrative activities

The City of Midwest City is an incorporated municipality located in central Oklahoma. The City operates under a council-manager form of government with a charter that provides for three branches of government:

- Legislative – the governing body includes an elected seven-member City Council and Mayor
- Executive – the City Manager is the Chief Executive Officer and is appointed by the City Council
- Judicial – the Municipal Judges are practicing attorneys appointed by the City Council

In determining the financial reporting entity, the City of Midwest City complies with the provisions of Governmental Accounting Standards Board Statement No. 14, "*The Financial Reporting Entity*" and Statement No. 61, "*The Financial Reporting Entity: Omnibus*" and includes all component units for which the City is financially accountable. The City's financial reporting entity primary government presentation includes the City of Midwest City and certain component units as follows:

Blended Component Units: Separate legal entities for which the City Council members serve as the trustees/governing body of the City and /or the City is able to impose its will on the Authorities through required approval of all debt obligations issued by these entities. These component units funds are blended into the City's by appropriate fund type to comprise part of the primary government presentation.

Midwest City Utilities Authority –created for industrial development.

Midwest City Municipal Authority – created to operate the water, wastewater, sanitation and conference center/hotel.

Midwest City Hospital Authority – created to operate the hospital, however, in 1996 the hospital was leased for a 30 year term. In March 2009, this lease was extended to May 2048. The Trustees manage activities related to the hospital lease.

Urban Renewal Authority – created for economic development.

Each of these component units listed above are Public Trusts established pursuant to Title 60 of Oklahoma State law. Public Trusts (Authorities) have no taxing power. The Authorities are generally created to finance City services through issuance of revenue bonds or other non-general obligation debt and to enable the City Council to delegate certain functions to the governing body (Trustees) of the Authority. The Authorities generally retain title to assets which are acquired or constructed with Authority debt or other Authority generated resources. In addition, the City has leased certain existing

assets at the creation for the Authorities to the Trustees on a long-term basis. The City, as beneficiary of the Public Trusts, receives title to any residual assets when a Public Trust is dissolved.

In accordance with state law, the City Council must approve, by two-thirds vote, all debt obligations of these public trusts prior to incurring the obligation. This is considered sufficient imposition of will to demonstrate financial accountability and to include the trusts within the City's financial reporting entity. The public trusts do not issue separate annual financial statements.

1.B. Basis of Presentation and Accounting

This annual report is presented in a format that substantially meets the presentation requirements of the Governmental Accounting Standards Board (GASB) in accordance with generally accepted accounting principles. The presentation includes financial statements that communicate the City's financial condition and changes therein at two distinct levels:

- **The City as a Whole** (a government-wide presentation)
- **The City's Funds** (a presentation of the City's major and aggregate non-major funds)

Government-Wide Financial Statements:

The Government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. In the Statement of Net Position and the Statement of Activities, we divide the City into two kinds of activities:

Governmental activities - Most of the City's basic services are reported here, including the police, fire, general administration, streets, parks and recreation. Sales taxes, franchise fees, fines, and state and federal grants finance most of these activities.

Business-type activities – Services where the City charges a fee to customers to help cover all or most of the cost of the services it provides. The City's water, sewer, sanitation systems and the hotel/conference center activities are reported here.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The statements of net position and activities are reported on the accrual basis of accounting and economic resources measurement focus. Under the accrual basis of accounting, revenues are recognized when earned and expenses (including depreciation and amortization) are recorded when the liability is incurred or economic asset used.

Fund Financial Statements:

Governmental Funds:

Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. Governmental funds report their activities on the modified accrual basis of accounting and current financial resources measurement focus that is different from other funds. For example, these funds report the acquisition of capital assets and payments for debt principal as expenditures and not as changes to asset and debt balances. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period except for reimbursement type grants that are recorded as revenues when the related expenditures are recognized. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims, judgments, and net pension liabilities are recorded only when payment is due.

Sales and use taxes, property taxes, franchise taxes, licenses, court fines and interest associated with the current fiscal period are all considered to be susceptible to accrual, and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps one determine (through a review of changes to fund balance) whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The City's governmental funds include:

Major Funds:

- General Fund – accounts for all activities not accounted for in other special-purpose funds. For reporting purposes the General Fund includes the activities of the Reimbursed Projects Account, Employee Activity Account, Activity Account, Animals Best Friend Account, Disaster Relief Account, and Retiree Health Claims Account.
- Police Fund – is a special revenue fund that accounts for police services funded by a restricted sales tax, a transfer of 34.21% of General Fund revenues per ordinance legally restricted for police operations, and fines and fees restricted for traffic enforcement operations. For reporting purposes, the Police Fund includes the Jail Fund.
- Fire Fund — is a special revenue fund that accounts for fire protection services funded by sales tax legally restricted for fire and a transfer of 27.66% of General Fund revenues per ordinance legally restricted for fire operations.
- Midwest City Hospital Authority – is a special revenue fund that manages activities related to the hospital lease, funded by interest income and in lieu of taxes.

Aggregated Non-Major Funds (reported as Other Governmental Funds):

Special Revenue Funds include Grants, Juvenile, Parks and Recreation, Emergency Operations, Technology, Welcome Center, Police Impound Fees, Street and Alley, Police Special Projects, Police Lab Fee, Convention/Visitors Bureau, Urban Renewal Authority Funds, Tax Increment Financing, and General Government Sales Tax.

Debt Service Fund – accounts for ad-valorem taxes levied by the City for use in retiring general obligation bonds, and their related interest expenses.

Capital Project Funds:

- Capital Improvement Fund – accounts for assessed fees that help fund capital projects for various functions of the City.
- Downtown Redevelopment Authority – accounts for the lease proceeds from the 29th street redevelopment. Proceeds are used to fund various needs of the City.
- 2002 Street Project Fund – accounts for the proceeds from the 2002 General Obligation Street Bonds which funds capital street projects.
- Dedicated Tax 2012 Fund – accounts for the sales tax restricted for street, parks, trails, sidewalks and public transportation projects.
- Sales Tax Capital Improvement Fund – accounts for sales tax restricted by a vote of the citizens for capital improvements, including debt retirements.
- Capital Outlay Reserve Fund – accounts for funds set aside to fund the five year capital needs projects.

The reconciliation of the governmental funds financial statements to the governmental activities presentation in the government-wide financial statements is the result of the use of the accrual basis of accounting and economic resources measurement focus at the government-wide level.

Proprietary Funds:

When the City charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds include enterprise funds and internal service funds. Enterprise funds are used to account for business-like activities provided to the general public. Internal service funds are used to account for business-like activities provided to other funds or departments of the City. Proprietary funds are reported on the accrual basis of accounting and economic resources measurement focus. For example, proprietary fund capital assets are capitalized and depreciated and principal payments on long-term debt are recorded as a reduction to the liability.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Midwest City Municipal Authority, non major enterprise funds and of the City's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The City's proprietary funds include the following:

Enterprise Funds

Major:

Midwest City Municipal Authority includes the following accounts:

- Water Account (includes the Water Operating Account and the Water Capital Projects Account) accounts for the activities providing water services to the public.
- Sewer Account (includes the Sewer Operating Account and the Sewer Capital Projects Account) accounts for the activities providing sewer services to the public.
- Sanitation Account (includes the Sanitation Operating Account) accounts for the activities providing sanitation services to the public.
- Conference Center/Hotel Account (includes the Conference and Hotel Operating Account) accounts for the activities related to the Conference Center and Hotel.
- Drainage Account (includes the Drainage Operating Fund and the Capital Projects Account) accounts for the activities providing drainage services to the public.
- Debt Service Account accounts for the debt activities related to the 2011 and 2011A Revenue Bonds.

Non-Major:

- Utilities Authority Fund –accounts for industrial development activities.
- Utility Services Fund – accounts for activities related to billing for water, sewer, sanitation, storm water, and drainage.
- Utilities Capital Fund – accounts for capital purchases for the water, sewer, and sanitation systems.
- Customer Deposit Fund –accounts for utility customer deposits.
- Golf Course Fund –accounts for activities of the John Conrad and the Hidden Creek golf courses.
- 29th and Douglas –accounts for activities of the trailer park at 29th and Douglas.

Internal Service Funds (aggregated in a single column for reporting purposes)

- Risk Management Fund - accounts for the cost of providing various insurance services (i.e workers compensation, general liability, vehicle and property) to other funds and departments of the City
- Public Works Administration Fund - accounts for the cost of centralization of administrative resources to various departments of the City. This fund primarily serves the business-type activities.
- Fleet Services Fund - accounts for fuel, maintenance and repairs for the City's fleet.
- Surplus Property Fund - accounts for the disposal of surplus property on behalf of all departments.
- L&H Benefits Fund - accounts for health and life benefits to employees.

1.C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Deposits and Investments:

Cash and cash equivalents includes all demand and savings accounts, certificates of deposit or short-term investments with an original maturity of three months or less, and money market investments. Trust account investments in open-ended mutual fund shares are also considered cash equivalents.

Investments, other than Hospital investments, consist of long-term certificates of deposit, U.S. Treasury bonds and notes, and U.S. agency securities. Certificates of deposit are reported at cost, while the U.S. Treasury and agency securities are reported at fair value which is determined by quoted market value. Hospital investment consist of mutual funds, equities, and foreign equities. Investments are reported at fair value.

Restricted Assets:

Certain proceeds of the enterprise funds promissory notes, as well as certain resources set aside for their repayment, are classified as restricted assets on the Statement of Net Position because they are maintained in separate bank accounts, and their use is limited by applicable loan covenants. The debt service fund accounts are used to segregate resources accumulated for debt service payments over the next 12 months. In addition, amounts held for meter deposit refunds are considered restricted.

Receivables and Unearned Revenue

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include sales and use taxes, franchise taxes, grants and court fines. Business-type activities report utilities as its major receivable.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise tax, and grants and other similar intergovernmental revenues. Non-exchange transactions collectible but not available are reported as a deferred inflow of resources in the fund financial statements in accordance with the modified accrual basis of accounting, but not reported as a deferred inflow of resources in the government-wide financial statements in accordance with the accrual basis. Interest on investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. Proprietary fund material receivables consist of all revenues earned at year-end and not yet received. Utility accounts receivable and interest earnings comprise the majority of proprietary fund receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

Inventories:

Inventories are valued at cost. Governmental fund inventory is related to parts of vehicle and equipment maintenance. Proprietary fund inventory is related to material on hand for repairs and improvements to the utility system. The cost of inventories are recorded as expenditures when consumed rather than when purchased.

Capital Assets:

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

The City capitalizes interest on construction in progress for enterprise funds that have outstanding long term debt. The City capitalized \$309,125 in interest costs.

Depreciable capital assets are depreciated on a straight-line basis over their useful lives. The range of estimated lives by type of assets is as follows:

- Buildings/improvements 25-60 years
- Utility systems 25-99 years
- Infrastructure 25-99 years
- Machinery and equipment 5-20 years
- Vehicles 5-25 years

Depreciation of capital assets is included in total expenses and is charged or allocated to the activities primarily benefiting from the use of the specific asset.

Long-term obligations:

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statements of Net Position. Bond premiums and discounts are amortized over the life of the bonds using the straight line method. Bonds payable are reported net of bond premium or discount. Deferred amount on refundings are amortized over the shorter of the life of the new debt or the remaining life of the refunded debt using the straight line method. Deferred amounts are shown as deferred inflows or outflows.

Long-term obligations of governmental funds are not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures.

The City's long term debt consists of general obligation bonds, revenue bonds and notes, accrued compensated absences, contracts payable, net pension liability, net OPEB obligation, and refundable deposits.

Compensated Absences:

Under the terms of union contracts and City personnel policies, City employees are granted vacation and sick leave in varying amounts. Regular full-time civilian employees earn vacation leave per pay period in varying amounts from 80.08 hours per year to 204.10 hours per year based upon years of service. Upon separation from the city, a civilian employee is paid for accrued vacation up to a maximum of 192 hours plus current year accrual earned to date of separation. Civilian employees earn sick leave per pay period of 3.7 hours, for a total of 96.20 hours per year with the exception of Fire Rookies working 24 hour shifts who earn 5.54 hours per pay period for an annual total of 144.04 hours per year. Civilian employees who separate from employment with the city will be compensated for all accrued but unused sick leave as follows: Upon separation from the city after 10 years of service, a civilian employee is paid for accrued sick leave up to a maximum of 960 hours plus current year accrual earned to date of separation at 1/2 his/her hourly rate of pay. Civilian employees who separate from employment prior to 10 years of service shall receive no compensation for accrued sick leave benefits.

Police union employees earn vacation leave per pay period in varying amounts from 80.08 hours per year to 204.10 hours per year based upon years of service. Upon separation from the city, a police union employee is paid for accrued vacation up to a maximum of 216 hours plus current year accrual earned to date of separation. Police union employees earn sick leave per pay period of 4.6 hours for an annual total of 119.60 hours. Police union employees who separate from employment with the city will be compensated for all accrued but unused sick leave as follows: Upon separation from the city after 10 years or more of service, a police union employee is paid for accrued sick leave up to a maximum of 1100 hours plus current year accrual earned to date of separation at 1/2 his/her hourly rate of pay. Police union employees who separate from employment prior to 10 years of service shall receive no compensation for accrued sick leave benefits. 100% of the sick leave balance shall be paid to the police union employee's named beneficiary in the event an employee is killed in the line of duty.

Fire union employees earn vacation leave per pay period in varying amounts from 80.08 hours per year to 301.34 hours per year based upon shift worked and years of service. Upon separation from the city, a fire union employee is paid for accrued vacation up to a maximum of 300 hours plus current year accrual earned to date of separation for 24 hour workers; up to a maximum of 216 hours plus current year accrual earned to date of separation for 8 hour workers. Fire union employees earn sick leave per pay period of 5.54 for a total of 144.04 hours per year for 24 hour workers and 96.20 hours per year for 8 hour workers. Fire union employees who separate from employment with the city will be compensated for all accrued but unused sick leave as follows: Upon separation from the city after 10 years or more of service or with an on-the-job injury, a fire union employee is paid for accrued sick leave up to a maximum of 1314 hours for 24 hour workers; up to a maximum of 939 hours for 8 hour workers at 1/3 his/her hourly rate of pay. Hours accumulated over the maximum are paid at the rate of 1/2 his/her hourly rate of pay each bi-weekly pay period. Employees, regardless of years of service, will be paid out at 1/2 for separation due to on the job injury. Fire union employees who separate from employment prior to 10 years of service and without an on-the-job injury shall receive no compensation for accrued sick leave benefits.

Deferred Outflow/Inflows of Resources:

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expenses/expenditure) until then. The government only has two items that qualify for reporting in this category. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The city also reports deferred outflows for pension-related amounts.

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenues) until that time. The governmental funds report unavailable revenues from court fines and property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the City's government-wide statements the property tax revenues remain as a deferred inflow under the full accrual basis of accounting and will become an inflow in the year for which they are levied. The government-wide Statement of Net Position reports deferred inflows for pension-related amounts.

Fund Equity:

Government-Wide and Proprietary Fund Financial Statements:

Net position is displayed in three components:

- a. *Net investment in capital assets* - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets, plus the remaining construction proceeds of debt issued for capital improvements.
- b. *Restricted net position* - Consists of net position with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- c. *Unrestricted net position* - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

It is the City's policy to first use unrestricted net position prior to the use of restricted net position when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Governmental Fund Financial Statements:

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned and unassigned. These classifications are defined as:

- a. Nonspendable – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- b. Restricted – consists of fund balance with constraints placed on the use of resources either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) laws through constitutional provisions or enabling legislation.
- c. Committed – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the city’s highest level of decision-making authority. The City’s highest level of decision-making authority is made by ordinance. While the Municipal Authority, Hospital Authority and Urban Renewal Authority highest level of decision-making authority is made by resolution.
- d. Assigned – includes amounts that are constrained by the city’s intent to be used for specific purposes but are neither restricted nor committed. Assignments of fund balance may be made by city council action or management decision when the city council has delegated that authority. Assignments for revenues in other governmental funds are made through budgetary process.
- e. Unassigned – represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes within the General Fund.

It is the City’s policy to first use unrestricted fund balance prior to the use of the restricted fund balance when an expenditure is incurred for purposes for which both restricted and unrestricted resources are available. The City’s policy for the use of fund balance amounts require that unassigned amounts would be reduced first followed by assigned amounts and then committed amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

1.D. Revenues, Expenditures and Expenses

Program Revenues:

Program revenues within the Statement of Activities that are derived directly from each activity or from parties outside of the City’s taxpayers are reported as program revenues. The City has the following program revenues in each activity:

- Public Safety – Fire, Police, 911 –fines and forfeitures, restricted operating grants, 911 revenue, and restricted capital grants, property seizure, donations, state on-behalf pension contributions
- Streets – commercial vehicle and gasoline excise tax shared by the State.
- Culture and recreation – pool fees, rental of community center and senior center, programming fees, park fees, softball fees, operating and capital grants
- Health and Welfare – FEMA grants
- Economic Development – rental income and operating grants

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- General Government – license and permits, technology and false alarm fees, impact fees, and operating grants

All other governmental revenues are reported as general revenues. All taxes are classified as general revenue even if restricted for a specific purpose.

Sales Tax Revenue:

Sales tax revenue represents a 3.85 cents tax on each dollar of taxable sales which is collected by the Oklahoma Tax Commission and remitted to the City. Upon final allocation the sales tax is broken down as follows:

General Government	1.04	27.01%
Police	1.10	28.57%
Fire	.92	23.90%
911	.04	1.04%
Capital Improvements	.25	6.49%
Parks and Recreation	.05	1.30%
Sewer Plant	.40	10.39%
Streets/Parks/Sidewalks/Trails/and Public Transportation	.05	1.30%
Totals	3.85	100%

Property Tax Revenue:

In accordance with state law, a municipality may only levy a property tax to retire general obligation debt approved by the voters and to pay judgments rendered against the City. Property taxes levied by the City are billed and collected by the County Treasurer's Office and remitted to the City in the month following collection. Property tax is levied each October 1st on the assessed valuation of non-exempt real property located in the City as of the preceding January 1st, the lien date. Property taxes are due on November 1st following the levy date, although they may be paid in two equal installments (if the first installment is paid prior to January 1st, the second installment is not delinquent until April 1st). Property taxes are collected by the County Treasurer and are remitted to the City. Property tax receivables are recorded on the lien date, although the related revenue is reported as a deferred inflow of resources and will not be recognized as revenue until the year for which it is levied. Property taxes unpaid for the fiscal year are attached by an enforceable lien on property in the following October. For the year ended June 30, 2016, the City's net assessed valuation of taxable property was \$296,030,326. The taxes levied by the City per \$1,000 of net assessed valuation for the year ended June 30, 2016 was \$5.18.

Property tax accrued on the lien date of January 1, 2016 and recorded as a deferred inflow of resources was \$292,532.

Expenditures and Expenses:

In the government-wide financial statements, expenses, including depreciation of capital assets, are reported by function or activity. In the governmental fund financial statements, expenditures are reported by class as current (further reported by function), capital outlay and debt service. In the proprietary fund financial statements, expenses are reported by object or activity.

1.E. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide statement of net position and statement of activities, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Government-Wide Financial Statements:

Interfund activity, if any, are eliminated or reclassified in the government-wide financial statements as follows:

1. *Internal balances* – amounts reported in the fund financial statements as interfund receivable and payables are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are reported as Internal Balances.
2. *Internal activities* - amounts reported in the fund financial statements as interfund transfers are eliminated in the government-wide statement of activities except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers - Internal Activities. The effect of interfund services between funds is not eliminated in the statement of activities.
3. *Primary government and component unit activity and balances* - resource flows between the primary government and the discretely presented component units are reported as if they were external transactions and are classified separately from internal balances and activities within the primary government.

Fund Financial Statements:

Interfund activity, if any, within and among the governmental and proprietary fund categories is reported as follows in the fund financial statements:

1. Interfund loans - amounts provided with a requirement for repayment are reported as interfund receivables and payables.
2. Interfund services - sales or purchases of goods and services between funds are reported as revenues and expenditures/expenses.
3. Interfund reimbursements - repayments from funds responsible for certain expenditures/expenses to the funds that initially paid for them are not reported as reimbursements but as adjustments to expenditures/expenses in the respective funds.
4. Interfund transfers - flow of assets from one fund to another where repayment is not expected are reported as transfers in and out.

1.F. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

1.G. NEW ACCOUNTING PRONOUNCEMENTS

The city implemented GASB Statement No. 72, *Fair Value Measurement and Application* – the Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. Implementation has resulted in additional disclosures in the investment note.

The City implemented Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68* – GASB No. 73 was issued in June 2015 and establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, Accounting and Financial Reporting for Pensions, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also amends certain provisions of Statement No. 67, Financial Reporting for Pension Plans, and Statement 68 for pension plans and pensions that are within their respective scopes. Implementation has resulted in additional disclosures in the investment note.

The City implemented GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* – GASB No. 76 was issued in June 2015, and was issued to identify the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This Statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. Implementation had no material impact on the financial statements.

The City implemented GASB Statement No. 82, *Pension Issues – An Amendment of GASB Statements No. 67, 68 and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pensions, and No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. Implementation had no material impact on the financial statements.

2. Cash and Cash Equivalents, Deposits and Investments

Deposits and Investments Risks

Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. The City categorizes its fair value measurements within

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the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
US agency securities	\$ 556,576	\$ 38,744,972	\$ -	\$ 39,301,548
Real Estate	-	-	3,163,362	3,163,362
Mutual Fund - equities	15,084,215	-	-	15,084,215
Mutual Fund - International	5,343,606	-	-	5,343,606
Mutual Fund - Fixed Income	5,742,044	-	-	5,742,044
	<u>\$ 26,726,441</u>	<u>\$ 38,744,972</u>	<u>\$ 3,163,362</u>	<u>\$ 68,634,775</u>

Real estate investments classified in Level 3 are valued using the change in assessed property tax land values for similar properties from the county assessor.

Certain investments that do not have a readily determinable fair value are measured at net asset value (NAV), or its equivalent. NAV per share is calculated as of the City's year-end in a manner consistent with the Governmental Accounting Standards Board's measurement principles. The valuation method for investments measured at the NAV per share (or its equivalent) is presented on the following table.

Investments Measured at Net Asset Value	Fair Value	Redemption Frequency	Redemption Notice Period
International equity index funds ⁽¹⁾	\$ 3,951,852	Daily	1 day
US equity index funds ⁽²⁾	31,586,146	Daily	2 days
US fixed income debt funds ⁽³⁾	8,500,664	Daily	2 days
	<u>\$ 44,038,662</u>		

- (1) **International equity index funds** – The fund seeks to achieve investment results that are similar to the price and yield performance, before fees and expenses of the MSCI EAFE Index. The Fund uses a replication indexing strategy to manage the underlying fund by investing in substantially all of the securities of the Index in approximately the same proportions as the Index. The investment is valued at the net asset value of units held at the end of the period based upon the fair value of the underlying investments.
- (2) **US equity index funds** – The Fund is an index fund that seeks investment results that correspond generally to the S&P 500 Index. The Fund is invested and reinvested in a portfolio of equity securities with the objective of approximating as closely as practicable the capitalization weighted total rate of return of that segment of the U.S. market for publicly traded equity securities represented by the larger capitalized companies. The investment is valued at the net asset value of units held at the end of the period based upon the fair value of the underlying investments.
- (3) **US fixed income debt funds** – The US fixed income debt fund is an index fund that establishes an objective of delivering investment performance approximating as closely as practicable the total rate of return of the market for debt securities as defined by the Barclays U.S. Aggregate Bond Index. The Fund uses a "passive" or indexing approach to try to achieve the Fund's

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investment objective. The investment is valued at the net asset value of units held at the end of the period based upon the fair value of the underlying investments.

The City of Midwest City primary government and blended component units are governed by the deposit and investment limitations of state law and trust indentures. The deposits and investments held at June 30, 2016 by these entities are as follows:

Schedule of Deposits and Investments by Type - June 30, 2016

Type	Carrying Value	Credit Rating	Maturities in Years				
			On Demand	Less Than One	1 - 5	6 - 10	More than 10
Demand deposits	\$ 11,895,541	n/a	\$ 11,895,541	\$ -	\$ -	\$ -	\$ -
Time deposits	6,213,363	n/a	-	3,000,000	3,213,363	-	-
Government Money Market Accounts	8,515,546	AAAm	8,515,546	-	-	-	-
U.S. Agencies Obligations	38,744,972	n/a	-	-	-	279,201	38,465,771
Sub-total	65,369,422		\$ 20,411,087	\$ 3,000,000	\$ 3,213,363	\$ 279,201	\$ 38,465,771
Real Estate	3,163,362						
Mutual Funds	49,699,944						
Mutual Funds - equities	19,059,448						
Foreign equities	2,006,468						
Sub-total	73,929,222						
Total Deposits and Investments	\$ 139,298,644						
Reconciliation to Financial Statements:							
Cash and cash equivalents	\$ 17,868,804						
Cash and cash equivalents, restricted	2,887,325						
Investments	117,349,487						
Investments, restricted	1,193,028						
	\$ 139,298,644						

Custodial Credit Risk – Exposure to custodial credit risk related to deposits exists when the City holds deposits that are uninsured and uncollateralized; collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the City’s name; or collateralized without a written or approved collateral agreement. Exposure to custodial credit risk related to investments exists when the City holds investments that are uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the City’s name.

The City’s policy as it relates to custodial credit risk is to secure its uninsured deposits with collateral, valued at no more than market value, at a minimum level of 110% of the uninsured deposits and accrued interest thereon. The City’s policy limits acceptable collateral to U.S. Treasury securities, federally insured obligations, or direct debt obligations of municipalities, counties, and school districts in Oklahoma. Also, as required by Federal 12 U.S.C.A., Section 1823(e), all financial institutions pledging collateral to the City must have a written collateral agreement

At June 30, 2016, the City had no exposure to custodial credit risk as defined above.

Investment Credit Risk – The City’s investment policy limits investments, excluding Hospital Authority, to the following:

- a. Obligations of the U. S. Government, its agencies and instrumentalities;
- b. Collateralized or insured non-negotiable certificates of deposit or other evidences of deposit that are either insured or secured with acceptable collateral with an in-state financial institution, and fully insured deposits in out-of-state institutions;
- c. Insured or fully collateralized negotiable certificates of deposit;
- d. Repurchase agreements that have underlying collateral consisting of those items specified in paragraph a above; and

- e. Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous paragraph a.

Investment credit risk is the risk that an issuer or other counterpart to an investment will not fulfill its obligations. The City has no formal policy limiting investments based on credit rating, but discloses any such credit risk associated with their investments by reporting the credit quality ratings of investments in debt securities as determined by nationally recognized statistical rating organizations—rating agencies—as of the year end. Unless there is information to the contrary, obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

Investment Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City’s investment policy indicates that the investment portfolio, shall remain sufficiently liquid to enable the City to meet all operating requirements as anticipated. The City discloses its exposure to interest rate risk by disclosing the maturity dates of its various investments by date range.

As noted in the preceding schedule of deposits and investments, at June 30, 2016, the investments held by the City mature between 2016 through 2030.

Concentration of Investment Credit Risk - Exposure to concentration of credit risk is considered to exist when investments in any one issuer represent a significant percent of total investments of the City (any over 5% are disclosed). Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this consideration. The city’s investments in Blackrock exceed 5%.

Hospital Authority Investments:

The Authority policy provides that assets be invested to preserve its principal, produce a proscribed level of income, and provide for growth of principal with no outside additions to the fund being anticipated. Assets are to be invested in a diversified portfolio to achieve attractive real rates of return. The investment policy of the Hospital Authority allows for the investment of funds in domestic and international common stocks, government and corporate bonds, short-term fixed income securities maturing in one year or less (cash equivalents); by utilizing primarily index funds, mutual funds, or collective trust funds. In addition, the Authority may invest portions of the fund corpus, or income, in real estate. Such real estate investments would typically include developed or undeveloped real property located in Midwest City, Oklahoma or its environs, or commingled funds which invest in various kinds of property located throughout the United States. The overall rate of return objective of the portfolio is a highest possible rate of return consistent with the risk levels established by the Board.

The acceptable long-term rate of return is expected to provide equal or superior results, using a three to five year moving average, relative to the following benchmarks:

1. An absolute return objective of the Consumer Price Index plus 4% compounded annually.
2. An income return sufficient to meet any disbursement requirement as stipulated by the Board.
3. A return exceeding the 90 Day U.S. Treasury Bill rate (risk-free rate).

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4. Domestic equity fund returns which exceed the S&P 500 Stock index return by 1% (100 basis points), per year and fixed income return which exceed the Barclays Capital Aggregate Bond Index by ½% per year (50 basis points).
5. Stock and bond returns which fall into the top 25% of the Consultant’s Universe (or other representative universe approved by The Board) of common stock and bond funds (referred to as equity and fixed income), with some consistency.
6. Passive domestic returns which replicate the return of the Standard and Poor’s 500 Stock Index, passive fixed returns which replicate the return of the Barclays Capital Aggregate Bond Index, and passive international returns which replicate the return of the MSCI EAFE International Index.
7. Active international equity returns which exceeds the MSCI EAFE Index by 1% per year.

Asset allocation guidelines for the Hospital Authority are as follows:

Class	Target	Maximum	June 2016 Percent
Equities - Domestic	20%-70%	85%	64.3%
Equities - International	0%	0%	7.6%
Fixed Income	2.5%-30%	80%	18.0%
Real Estate	0%	20%	0%
Cash Equivalents	0%	36%	10.1%

Restricted Cash and Investments

The amounts reported as restricted assets of the Enterprise Funds on the Statement of Net Position are comprised of amounts held by the Midwest City Proprietary Debt Service accounts of the trustee bank for revenue bond retirement, and the Customer Deposit Account for refundable deposits held by others. The restricted assets as of June 30, 2016 are as follows:

Cash and Cash Equivalents:	
Pooled Cash Restricted for Debt Service	\$ 2,652,850
Pooled Cash Restricted for Refundable Deposits	234,475
	<u>\$ 2,887,325</u>
Investments:	
Pooled Investments Restricted for Refundable Deposits	\$ 1,193,028
	<u>\$ 1,193,028</u>

3. Receivables

The Midwest City Memorial Hospital Authority (the Authority) entered into an agreement with the Midwest Regional Medical Center (now known as Alliance Health Midwest) to provide funds up to \$25,000,000 to construction two additional floors onto the existing six floor patient tower. The loan is amortized over a 25 year with interest rate of 7.5%, will be repaid within 9 years from December 2010, with a balloon payment in November 2019. The loan is secured with a lease receivable for future rental of the facility. At the end of the fiscal year, the City reflects a \$20.2 million receivable in the governmental activities.

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4. Capital Assets and Depreciation

Capital Assets:

For the year ended June 30, 2016, capital assets balances changed as follows:

	Balance at July 1, 2015	Additions	Disposals	Balance at June 30, 2016
PRIMARY GOVERNMENT:				
<i>Governmental activities:</i>				
Capital assets not being depreciated:				
Land	\$ 32,544,209	\$ 138,198	\$ -	\$ 32,682,407
Construction in progress	3,518,506	1,732,064	589,965	4,660,605
Total capital assets not being depreciated	<u>36,062,715</u>	<u>1,870,262</u>	<u>589,965</u>	<u>37,343,012</u>
Capital assets being depreciated:				
Buildings	29,385,249	165,912	-	29,551,161
Machinery and equipment	19,327,994	730,668	60,225	19,998,437
Vehicles	9,047,114	539,440	351,350	9,235,204
Infrastructure	439,837,953	1,199,058	458,872	440,578,139
Total other capital assets at historical cost	<u>497,598,310</u>	<u>2,635,078</u>	<u>870,447</u>	<u>499,362,941</u>
Less accumulated depreciation for:				
Buildings	10,978,634	719,133	-	11,697,767
Machinery and equipment	13,212,474	1,033,825	47,168	14,199,131
Vehicles	4,507,549	596,238	316,659	4,787,128
Infrastructure	169,734,621	12,056,928	-	181,791,549
Total accumulated depreciation	<u>198,433,278</u>	<u>14,406,124</u>	<u>363,827</u>	<u>212,475,575</u>
Capital assets being depreciated, net	<u>299,165,032</u>	<u>(11,771,046)</u>	<u>506,620</u>	<u>286,887,366</u>
Governmental activities capital assets, net	<u>\$ 335,227,747</u>	<u>\$ (9,900,784)</u>	<u>\$ 1,096,585</u>	<u>\$ 324,230,378</u>

	Balance at July 1, 2015	Additions	Disposals	Balance at June 30, 2016
<i>Business-type activities:</i>				
Capital assets not being depreciated:				
Land	\$ 7,549,649	\$ 22,800	\$ -	\$ 7,572,449
Water rights	4,672,610	-	-	4,672,610
Construction in progress	66,463,084	1,653,234	65,672,944	2,443,374
Total capital assets not being depreciated	<u>78,685,343</u>	<u>1,676,034</u>	<u>65,672,944</u>	<u>14,688,433</u>
Capital assets being depreciated:				
Buildings	31,362,796	603,310	-	31,966,106
Machinery and equipment	12,924,544	338,270	81,240	13,181,574
Vehicles	8,031,670	515,052	180,034	8,366,688
Utility systems	110,923,120	68,019,387	20,608	178,921,899
Total other capital assets at historical cost	<u>163,242,130</u>	<u>69,476,019</u>	<u>281,882</u>	<u>232,436,267</u>
Less accumulated depreciation for:				
Buildings	9,193,225	718,291	-	9,911,516
Machinery and equipment	8,176,628	649,962	57,074	8,769,516
Vehicles	4,209,008	422,062	174,494	4,456,576
Utility systems	56,100,583	4,518,342	1,227	60,617,698
Total accumulated depreciation	<u>77,679,444</u>	<u>6,308,657</u>	<u>232,795</u>	<u>83,755,306</u>
Capital assets being depreciated, net	<u>85,562,686</u>	<u>63,167,362</u>	<u>49,087</u>	<u>148,680,961</u>
Business-type activities capital assets, net	<u>\$ 164,248,029</u>	<u>\$ 64,843,396</u>	<u>\$ 65,722,031</u>	<u>\$ 163,369,394</u>

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Depreciation:

Depreciation expense has been allocated as follows:

Governmental Activities:

General government	\$ 408,617
Public safety	1,343,198
Streets	11,945,366
Culture and recreation	312,846
Health and welfare	33,577
Economic development	294,379
Sub-total governmental funds depreciation	<u>14,337,983</u>

Depreciation on capital assets held by the City's internal service funds is charged to the various functions based upon usage	68,142
Total	<u>\$ 14,406,125</u>

Business-Type Activities:

Water	\$ 1,025,613
Sewer	2,640,864
Sanitation	439,116
Drainage	269,001
Conference center/hotel	939,947
Golf	101,872
Industrial park	23,988
Total Business Type Activities	<u>5,440,401</u>

Depreciation on capital assets held by the City's internal service funds is charged to the various functions based upon usage	33,328
Total	<u>\$ 5,473,729</u>

Wastewater expenses include an impairment loss of \$834,928 on the old wastewater treatment plan due to changes in environmental factors. The same amount is included in additions to accumulated depreciation in the above schedule.

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5. Internal and Interfund Balances and Transfers

Internal and Interfund Balances:

Interfund receivables and payables at June 30, 2016 were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Nature of Interfund Balance</u>			
General Gov Sales Tax	Surplus Property	\$ 47,772	Surplus properties sales proceeds to be distributed			
General Fund	Comm Dev Block Grant	41,968	To cover negative balance in pooled cash			
General Fund	Fire Fund	1,271,817	Long-term loan for capital improvements			
Police Fund	General Fund	1,040,585	Restricted sales tax payable			
Police Fund	Surplus Property	93,876	Surplus properties sales proceeds to be distributed			
Juvenile Fund	Surplus Property	780	Surplus properties sales proceeds to be distributed			
Fire Fund	General Fund	841,349	Restricted sales tax payable			
Fire Fund	Surplus Property	11,062	Surplus properties sales proceeds to be distributed			
Welcome Center	Surplus Property	323	Surplus properties sales proceeds to be distributed			
Convention & Visitor Bureau	Surplus Property	148	Surplus properties sales proceeds to be distributed			
Emergency Operating Fund	Surplus Property	287	Surplus properties sales proceeds to be distributed			
Emergency Operating Fund	Grant Fund	3,750	Grants to be transferred			
CDBG	Surplus Property	1,222	Surplus properties sales proceeds to be distributed			
Grant Fund	Police Impound	283	Revenue accrued to be transferred			
Downtown Redevelopment	Reimbursed Project	141,476	Long-term loan for capital improvements			
Hospital Authority	29th and Douglas	181,059	Long-term loan			
Hospital Authority	Surplus Property	2,689	Surplus properties sales proceeds to be distributed			
Capital Improvements Fund	Debt Service	33,890	Revenue accrued to be transferred			
Capital Improvements Fund	Hotel & Conference Center	740,000	Capital outlay subsidy			
Fleet Services Fund	Surplus Property	598	Surplus properties sales proceeds to be distributed			
Sewer Fund	Surplus Property	54	Surplus properties sales proceeds to be distributed			
Water Fund	Utility Capital Outlay	1,330,785	Long-term loan for economic improvements			
Water Fund	Customer Deposits	13,592	Revenue accrued to be transferred			
Sewer Fund	Tax Increment Financing Fund	62,340	Long-term loan for economic improvements			
Utilities Capital Outlay	Hospital Authority	846,845	To cover negative balance in pooled cash			
Utility Services	Utility Capital Outlay	58,958	To cover negative balance in pooled cash			
Sanitation Fund	Surplus Property	50,744	Surplus properties sales proceeds to be distributed			
Water Fund	Surplus Property	13,679	Surplus properties sales proceeds to be distributed			
Sewer Fund	Surplus Property	939	Surplus properties sales proceeds to be distributed			
Hotel/Conference Center	Surplus Property	12,203	Surplus properties sales proceeds to be distributed			
Golf	Surplus Property	546	Surplus properties sales proceeds to be distributed			
Customer Deposit	Water Fund	1,384	Meter deposit liability			
Capital Improvement Rev. Bond	Revenue Bond Sinking Fund	643,909	Revenue accrued to be transferred			
		<u>\$ 7,490,912</u>				
		Due From Other	Advance From	Due To Other	Advance To	Net Internal
		Funds	Other Funds	Funds	Other Funds	Balances
Reconciliation to Fund Financial Statements:						
Governmental Funds		\$ 2,859,984	\$ 1,594,352	\$ 3,452,579	\$ 1,475,633	\$ (473,876)
Proprietary Funds		1,642,853	1,393,125	813,934	1,511,844	\$ 710,200
Internal Service Funds		599	-	236,923	-	\$ (236,324)
Total		<u>\$ 4,503,436</u>	<u>\$ 2,987,477</u>	<u>\$ 4,503,436</u>	<u>\$ 2,987,477</u>	<u>\$ -</u>
Reconciliation to Statement of Net Position:						
Net Internal Balances		\$ 710,200				
Internal Service Fund Activity reported in Business-Type Activities		(1,495,680)				
Net Internal Balances		<u>\$ (785,480)</u>				

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Internal and Interfund Transfers:

The City's policy is to eliminate interfund transfers between funds in the Statement of Activities to avoid the grossing up of balances. Only the residual balances transferred between governmental and business-type activities are reported as internal transfers and then offset in the total column. Internal activities between funds and activities for the year ended June 30, 2016 were as follows:

Transfer In	Transfer Out	Amount	Nature of Transfer
General Fund	Fire Fund	166,000	Code Enforcement Allocation
General Fund	Storm Water Quality Fund	41,907	Indirect Cost Allocation
General Fund	Sanitation Fund	763,936	Indirect Cost Allocation
General Fund	Water Fund	748,459	Indirect Cost Allocation
General Fund	Sewer Fund	772,099	Indirect Cost Allocation
General Fund	Capital Improvement Revenue Bond Fund	8,291,332	Debt Service Subsidy
General Fund	Grants Fund	19,750	Grant Subsidy
General Gov Sales Tax	General Fund	35,028	Capital Outlay Subsidy
General Gov Sales Tax	G.O.Debt Services	32,442	Capital Outlay Subsidy
General Gov Sales Tax	Park & Recreation	647	Contract Cost Allocation
General Gov Sales Tax	Risk Management	289	Contract Cost Allocation
General Gov Sales Tax	Convention & Visitor Bureau	428	Contract Cost Allocation
General Gov Sales Tax	Emergency Operations Fund	536	Contract Cost Allocation
General Gov Sales Tax	Welcome Center	589	Contract Cost Allocation
General Gov Sales Tax	Public Works Administration	867	Contract Cost Allocation
General Gov Sales Tax	Downtown Redevelopment Authority	123	Contract Cost Allocation
General Gov Sales Tax	Juvenile Fund	429	Contract Cost Allocation
General Gov Sales Tax	Community Development Block Grant	621	Contract Cost Allocation
General Gov Sales Tax	Police Fund	34,433	Contract Cost Allocation
General Gov Sales Tax	Hospital Authority	150	Contract Cost Allocation
General Gov Sales Tax	Technology Fund	601	Contract Cost Allocation
General Gov Sales Tax	Fire Fund	25,946	Contract Cost Allocation
General Gov Sales Tax	L&H Benefits	161	Contract Cost Allocation
Sreet and Alley Fund	Water Fund	60,708	Reimburse Repair Cost
Technology Fund	Emergency Operations Fund	45,673	Contract Cost Allocation
Police Fund	General Fund	9,703,451	Ordinance Obligation
Police Fund	Grants Fund	276	Grant Subsidy
Juvenile Fund	General Fund	25,000	Operating Subsidy
Fire Fund	General Fund	7,765,886	Ordinance Obligation
Fire Fund	Grants Fund	12,159	Grant Subsidy
Emergency Management Fund	Grants Fund	18,750	Grant Subsidy
Community Development Block Grant	General Fund	147,126	City Match of CDBG Program
Grants Fund	Police Impound Fee	1,682	Grant Subsidy
Urban Renewal Authority	Downtown Redevelopment Authority	65,000	Operating Subsidy
Hospital Authority	Downtown Redevelopment Authority	300,000	Return on owners investment
Capital Improvement Fund	Conference Center / Hotel Fund	360,000	Capital Outlay Subsidy
Capital Improvement Fund	Revenue Bond Sinking Fund	297,415	Capital Outlay Subsidy
Trailer Park Fund	Downtown Redevelopment Authority	135,894	Debt Service Subsidy
Drainage Tax Fund	Capital Improvements	180,000	Capital Outlay Subsidy
Drainage Tax Fund	Capital Improvement Revenue Bond Fund	35,746	Capitalize Interest Cost
Capital Water Improve	Capital Improvement Revenue Bond Fund	90,583	Capitalize Interest Cost
Construction Loan Payment	Capital Improvement Revenue Bond Fund	114,649	Capitalize Interest Cost
Sewer Construction	Capital Improvement Revenue Bond Fund	729,374	Capitalize Interest Cost
Utilities Capital Outlay	Sanitation	747,884	Capital Outlay Subsidy
Utilities Capital Outlay	Capital Drainage Improvement	804	Contract Cost Allocation
Utilities Capital Outlay	Storm Water Quality Fund	1,357	Contract Cost Allocation
Utilities Capital Outlay	Public Works Administration	881	Contract Cost Allocation
Utilities Capital Outlay	Interservice fund	2,593	Contract Cost Allocation
Utilities Capital Outlay	Surplus Property	107	Contract Cost Allocation
Utilities Capital Outlay	Utility Services	2,813	Contract Cost Allocation
Utilities Capital Outlay	Water Fund	6,893	Contract Cost Allocation
Utilities Capital Outlay	Sewer Fund	9,540	Contract Cost Allocation
Utilities Capital Outlay	Golf	4,019	Contract Cost Allocation
Utilities Capital Outlay	Utility Services	97,976	Contract Cost Allocation
Water Fund	Customer Deposits Fund	44,841	Interest earnings
Sewer Fund	Grant Fund	3,800	Grant Subsidy
Utility Authority	Grant Fund	82,309	Capital Outlay Subsidy
Utility Authority	Capital Sewer	140,000	Capital Outlay Subsidy
Utility Authority	Hospital Authority	300,000	Capital Outlay Subsidy
Golf	General Fund	3,591	Capital Donation
Capital Improvement Revenue Bond Fund	Sewer Construction Fund	1,208,726	Debt Service Subsidy
Capital Improvement Revenue Bond Fund	Revenue Bond Sinking Fund	5,955,254	Debt Service Subsidy
Capital Improvement Revenue Bond Fund	General Fund	8,291,332	Debt Service Subsidy
		<u>\$ 47,930,865</u>	

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Internal and Interfund Transfers:

	Transfers From Other Funds	Transfers To Other Funds	Net Transfers
Reconciliation to Fund Financial Statements:			
Governmental Funds	\$ 29,739,899	\$ (33,652,321)	\$ (3,912,422)
Proprietary Funds	18,187,375	(14,273,646)	3,913,729
Internal Service Funds	-	(4,898)	(4,898)
Total	\$ 47,927,274	\$ (47,930,865)	\$ (3,591)
 Reconciliation to Statement of Activities:			
Net Transfers			\$ 3,911,981
Capital Contributions to Enterprise Fund			3,591
Transfers - Internal Activity			\$ 3,915,572

6. Long-Term Liabilities

The City's long term debt consists of general obligation bonds, notes payable, revenue bonds payable accrued compensated absences, net OPEB obligation and net pension liabilities. For the year ended June 30, 2016, the City's long-term debt balances changed as follows:

Primary Government:

<u>Type of Debt</u>	<u>Balance July 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2016</u>	<u>Due Within One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 4,100,000	\$ -	\$ 1,400,000	\$ 2,700,000	\$ 1,400,000
Notes Payable	22,591,759	-	608,693	21,983,066	646,956
Accrued Compensated Absences	4,215,069	3,386,188	2,557,408	5,043,849	1,664,934
Total Governmental Activities	\$ 30,906,828	\$ 3,386,188	\$ 4,566,101	29,726,915	3,711,890
Reconciliation to Statement of Net Position:					
Plus: Net OPEB Obligation				6,839,232	-
Net Pension Liability				27,828,299	-
Refundable Deposits				78,055	78,055
				\$ 64,472,501	\$ 3,789,945
Business-Type Activities:					
Notes Payable	\$ 428,129	\$ -	\$ 212,039	\$ 216,090	\$ 216,090
Revenue Bonds Payable	61,915,000	-	4,055,000	57,860,000	4,185,000
Revenue Bonds Premium	2,618,915	-	265,891	2,353,024	-
Refundable Deposits	1,433,811	520,434	486,193	1,468,052	191,438
Accrued Compensated Absences	1,220,728	992,619	839,035	1,374,312	479,411
Total Business-Type Activities	\$ 67,616,583	\$ 1,513,053	\$ 5,858,158	\$ 63,271,478	\$ 5,071,939
Reconciliation to Statement of Net Position:					
Plus: Net OPEB Obligation				2,690,508	-
				\$ 65,961,986	\$ 5,071,939

Accrued compensated absences liability of the governmental activities is liquidated by the General Fund, Police Fund, the Fire Fund, Juvenile Fund, Grant Fund, Welcome Center Fund, Convention and Visitors Bureau Fund, Technology Fund, Park and Recreation Fund, Downtown Redevelopment Fund, Hospital Authority, and the Emergency Operations Fund.

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Governmental activities long-term debt payable from property tax levies or other governmental revenues includes the following:

General Obligation Bonds:

\$4,500,000 general obligation bonds dated May 1, 2006 for public safety, payable in annual installments of \$275,000 the first year and \$325,000, thereafter, with interest rates of 3.75% to 3.95%, repaid by property tax levies. Final maturity in May 2021. Current portion \$325,000. \$ 1,625,000

\$15,000,000 general obligation bonds dated February 1, 2002 for street improvements, payable in annual installments of \$1,025,000 the first year and \$1,075,000, thereafter, with interest rates of 5.00% to 5.25%, repaid by property tax levies. Final maturity in February 2017. Current portion \$1,075,000. 1,075,000

Total general obligation bonds \$ 2,700,000

Current	\$ 1,400,000
Non-current	<u>1,300,000</u>
Total	<u>\$ 2,700,000</u>

Notes Payable:

\$25,000,000 construction loan for hospital addition, payable in monthly installments beginning December 2010 of \$154,710; final payment due November 2019 of \$19,773,124; interest rate equal to the variable rate equal to the "Prime Rate," as quoted in the Money Rates Section of The Wall Street Journal, adjusted daily, with a minimum interest rate of five and one-half percent (5.50%) per annum and a maximum interest rate of eleven percent (11%) per annum with payments adjusted annually; current rate is 5.5%; construction interest rate of 5.5%. Secured by a first mortgage lien on the property. Current portion \$646,956. \$ 21,983,066

Total notes payable \$ 21,983,066

Current	\$ 646,956
Non-current	<u>21,336,110</u>
Total	<u>\$ 21,983,066</u>

Business-type activities long-term debt payable from net revenues generated and taxes pledged to the City's business-type activities include the following:

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Revenue Bonds Payable:

\$26,630,000 Series 2011 Capital Improvement Revenue Bonds, due in annual principal installments of \$855,000 to \$1,740,000 through September 1, 2033; interest rate from 0.4% to 5.0%.

	\$ 23,115,000
Unamortized Revenue Bond Premium	<u>98,216</u>
Total Revenue Bonds, Net	<u><u>\$ 23,213,216</u></u>

	\$ 940,000
Current	<u>22,175,000</u>
Non-current	<u>\$ 23,115,000</u>
Total	<u><u>\$ 23,115,000</u></u>

\$46,550,000 Series 2011A Capital Improvement Revenue Bonds, due in annual principal installments of \$2,605,000 to \$4,530,000 through June 30, 2025; interest rate from 0.5% to 5.0%.

	\$ 34,745,000
Unamortized Revenue Bond Premium	<u>2,254,808</u>
Total Revenue Bonds, Net	<u><u>\$ 36,999,808</u></u>

	\$ 3,245,000
Current	<u>31,500,000</u>
Non-current	<u>\$ 34,745,000</u>
Total	<u><u>\$ 34,745,000</u></u>

Notes Payable:

\$3,222,911 contract payable with the Central Oklahoma Master Conservancy District maturing October 1, 2016. The contract provides the City with a share of the District's water supply. The City pays its share of the costs of the facilities and its operations to the District. The City has pledged water revenues to secure this obligation. Debt principal payments are due annually, with interest at 2.742%.

	<u>\$ 216,090</u>
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	<u>\$ 216,090</u>
Current	<u><u>\$ 216,090</u></u>

Long-term debt service requirements to maturity are as follows:

Governmental-Type Activities				
Year Ending June 30,	G.O. Bonds Payable		Notes Payable	
	Principal	Interest	Principal	Interest
2017	\$ 1,400,000	\$ 120,625	\$ 646,956	\$ 1,209,573
2018	325,000	51,350	683,969	1,172,560
2019	325,000	38,513	723,100	1,133,429
2020	325,000	25,675	19,929,041	462,927
2021	325,000	12,837	-	-
	<u>\$ 2,700,000</u>	<u>\$ 249,000</u>	<u>\$ 21,983,066</u>	<u>\$ 3,978,489</u>

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Business-Type Activities

<u>Year Ending June 30,</u>	Notes Payable		Revenue Bonds Payable	
	Principal	Interest	Principal	Interest
2017	\$ 216,090	\$ 5,925	\$ 4,185,000	\$ 2,318,762
2018	-	-	4,325,000	2,185,788
2019	-	-	4,495,000	2,000,538
2020	-	-	4,715,000	1,774,662
2021	-	-	4,925,000	1,575,288
2022-2026	-	-	23,080,000	4,693,088
2027-2031	-	-	7,130,000	1,772,647
2032-2034	-	-	5,005,000	315,459
	\$ 216,090	\$ 5,925	\$ 57,860,000	\$ 16,636,232

Pledge of Future Revenues

Sales Tax Pledge - The City has pledged one-fourth of one percent (or .25%) of future sales tax revenues to repay the 2011 Revenue Bonds which are payable through 2033. Proceeds from the bond provided financing to advance refund the 2003 Revenue Bonds which were originally used for construction and equipping the Sheraton Hotel and the Reed Conference Center. The total principal and interest payable for the remainder of the life of the bond is \$32,114,819. Pledged sales taxes transferred in the current year was \$13,849,343. Debt service payments on 2011 Revenue Bonds of \$1,797,625 for the current fiscal year were 13.0% of pledged sales tax. Other sources of revenues such as water and sewer are also pledged. Total net revenues including utilities and sales tax pledged was \$17,259,575.

Sales Tax Pledge - The City has pledged one-fourth of one percent (or .25%) of future sales tax revenues to repay the 2011A Revenue Bonds which are payable through 2025. Proceeds from the bond provided financing for construction and improvements to the wastewater treatment plant. The total principal and interest payable for the remainder of the life of the bond is \$42,381,413. Pledged sales taxes transferred in the current year was \$13,849,343. Debt service payments on the bonds were \$4,711,663 for the current fiscal year or 34.0% of pledged sales tax. Other sources of revenues such as water and sewer are also pledged. Total net revenues including utilities and sales tax pledged was \$17,259,575.

Utility Revenue Pledge - The City has pledged the revenues from the future sale of water to repay the Central Oklahoma Master Conservancy District note payable which is payable through 2016. Proceeds from the note provided funding for improvements and expansion of the water transportation and distribution system. The total principal and interest payable for the remainder of the life of the bond is \$222,015. Water revenues received in the current year was \$6,460,751. Debt service payments of \$223,778 for the current fiscal year were 3.5% of pledged water revenue.

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7. Net Position and Fund Balances

The following table shows the net position as restricted:

Fund	Restricted By	Amount
Hospital Authority	Enabling legislation	\$ 76,250,368
Technology Fund	Enabling legislation	490,617
Police Impound Fund	Enabling legislation	165,450
Urban Renewal Authority	Enabling legislation	3,804
Capital Outlay Reserve Fund	Enabling legislation	746,652
General Fund	Enabling legislation	137,312
		<u>77,794,203</u>
Street and Alley Fund	Statutory requirements	1,506,138
Juvenile Fund	Statutory requirements	75,077
Police Special Projects	Statutory requirements	175,408
Police Lab Fee	Statutory requirements	17,468
		<u>1,774,091</u>
Grant Fund	External contracts	198,962
General Fund	External contracts	1,434,901
Police Fund	External contracts	3,496,564
Fire Fund	External contracts	1,222,433
Park and Recreation Fund	External contracts	592,788
Emergency Operation Fund	External contracts	688,529
Welcome Center	External contracts	359,102
Convention and Visitors Bureau	External contracts	213,673
GO Debt Service Fund	External contracts	1,434,476
2002 GO Street Bond	External contracts	2,787,632
Downtown Redevelopment	External contracts	1,818,803
Dedicated Tax Fund	External contracts	1,296,160
Capital Improvement Fund	External contracts	2,555,863
General Government Sales Tax Fund	External contracts	1,891,698
		<u>19,991,584</u>
Total Restricted Net Position		<u>\$ 99,559,878</u>

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The following table shows the fund balance classifications as shown on the Governmental Funds Balance Sheet:

	Major Special Revenue Funds				Other Governmental Fund	Total
	General Fund	Police Fund	Fire Fund	Hospital Authority		
Fund Balance:						
Nonspendable:						
Inventory	\$ -	\$ -	\$ -	\$ -	\$ 60,000	\$ 60,000
Deposits held by others	1,271,817	-	-	4,223,251	692,600	6,187,668
Prepaid expenses	4,615	-	-	-	-	4,615
	1,276,432	-	-	4,223,251	752,600	6,252,283
Restricted:						
Public safety	743,432	3,496,564	1,222,433	-	1,121,932	6,584,361
Hospital	-	-	-	77,514,488	-	77,514,488
General obligation debt service	-	-	-	-	1,392,721	1,392,721
Capital improvements	-	-	-	-	7,013,016	7,013,016
Street improvements	-	-	-	-	4,083,792	4,083,792
Street operations	-	-	-	-	1,506,138	1,506,138
Technology improvements	-	-	-	-	490,617	490,617
Culture and rec programs	484,873	-	-	-	951,890	1,436,763
Economic development	316,165	-	-	-	416,439	732,604
Health and welfare programs	27,743	-	-	-	-	27,743
Sub-total restricted	1,572,213	3,496,564	1,222,433	77,514,488	16,976,545	100,782,243
Assigned in:						
Culture and rec programs	88,206	-	-	-	-	88,206
Downtown redevelopment	-	-	-	-	1,632,989	1,632,989
Health and welfare programs	52,695	-	-	-	-	52,695
Capital improvements	-	-	-	-	567,079	567,079
Public safety	710,885	130,493	-	-	-	841,378
Economic development	-	-	-	-	58,819	58,819
Streets	60,022	-	-	-	-	60,022
Appropriation for use in FY 16-17 budget	677,627	-	-	-	-	677,627
General government - encumbrances	71,921	-	-	-	-	71,921
Public safety - encumbrances	1,765	-	-	-	-	1,765
Public works - encumbrances	34,549	-	-	-	-	34,549
Culture and rec - encumbrances	1,071	-	-	-	-	1,071
Economic development - encumbrances	50,784	-	-	-	-	50,784
Health and welfare - encumbrances	229,784	-	-	-	-	229,784
Sub-total assigned	1,979,309	130,493	-	-	2,258,887	4,368,689
Unassigned (deficit):	2,986,014	-	-	-	(62,340)	2,923,674
TOTAL FUND BALANCE	\$ 7,813,968	\$ 3,627,057	\$ 1,222,433	\$ 81,737,739	\$ 19,925,692	\$ 114,326,889

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The following is a breakdown of encumbrances at June 30, 2016:

Fund	Balance
Major Funds:	
General Fund	\$ 280,911
Police Fund	238,586
Fire Fund	68,122
Hospital Authority	5,485,313
	<u>\$ 6,072,932</u>
Non Major Fund:	
Capital Outlay Fund	
General Govt Sales Tax	\$ 182,506
Street and Alley Fund	671,996
Technology Fund	9,476
Police Federal Projects	7,272
Police Lab Fund	1,115
Police Impound Fund	400
Welcome Center Fund	15,135
Convention and Visitor Bureau	3,390
Street Tax Fund	240,685
Emergency Operations Fund	18,970
Park and Recreation Fund	16,106
Grant Fund	34,205
Capital Improvement Fund	138,600
Downtown Redevelopment Fund	80,680
Debt Service	28,219
	<u>\$ 1,448,755</u>

Per resolution, the City Council has established a minimum fund balance policy for the General Fund equal to ten percent (10%) of the fund's budgetary operating expenditures each fiscal year. In addition, a reserve equal to five percent (5%) of the budgetary operating expenditures for each fund has been established for the following funds: Police Fund, Fire Fund, Welcome Center Fund, Convention and Visitors Bureau Fund and the Juvenile Fund. The reserves are to ensure the fiscal solvency of the City as a safeguard and all or a portion of the reserves may be appropriated by the city council as necessary in the event of a natural disaster or other catastrophic circumstances, or in the event of significant accounting errors.

8. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employee health and life; and natural disasters. The City manages these various risks of loss as follows:

- General Liability – Covered through self-insurance with stop-loss for individual claims in excess of \$250,000 and aggregate stop loss of \$1,000,000.

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- Physical Property – Covered through purchased insurance with deductibles, by coverage as follows:

Wind/hail	\$100,000
All other losses	25,000
EDP	1,000
Inland marine	5,000
Fine arts deductible	1,000
Automobile physical damage	2,500

- Workers' Compensation – Workers' compensation is covered through self-insurance with the a third party administering the claims process. The City carry's stop-loss insurance for individual claims in excess of \$450,000 for non-uniform employees and \$500,000 for uniform employees with an aggregate stop loss of \$1,000,000.
- Employee's Group Medical –Covered through self-insurance using a third party administrator to process medical claims. The City uses the third party processor's estimates to record group insurance claims payable. The City also has a stop-loss policy which covers individual claims in excess of \$150,000 during any year with aggregate stop loss of \$6,243,193.

Management believes the insurance coverage listed above is sufficient to preclude any significant uninsured losses to the City. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

Claims Liability Analysis

The claims liabilities related to the above noted risks of loss that are retained are determined in accordance with the requirements of Statement of Financial Accounting Standards No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. For the internal service self-insurance funds, changes in the claims liability for the City from June 30, 2013, to June 30, 2016, are as follows:

	<u>Risk Fund</u>	<u>Health Care</u>	<u>Total</u>
Claims liability, June 30, 2013	3,054,000	551,423	3,605,423
Claims and changes in estimates	(402,448)	7,679,394	7,276,946
Claims payments	(410,552)	(7,698,047)	(8,108,599)
Claims liability, June 30, 2014	<u>2,241,000</u>	<u>532,770</u>	<u>2,773,770</u>
Claims and changes in estimates	806,158	6,799,627	7,605,785
Claims payments	(842,158)	(6,792,826)	(7,634,984)
Claims liability, June 30, 2015	<u>2,205,000</u>	<u>539,571</u>	<u>2,744,571</u>
Claims and changes in estimates	597,468	5,761,091	6,358,559
Claims payments	(998,468)	(5,751,574)	(6,750,042)
Claims liability, June 30, 2016	<u>\$ 1,804,000</u>	<u>\$ 549,088</u>	<u>\$ 2,353,088</u>

9. Retirement Plan Participation

The City of Midwest City participates in three pension or retirement plans:

1. Oklahoma Police Pension and Retirement System (OPPRS) - a statewide cost-sharing plan
2. Oklahoma Firefighter’s Pension and Retirement System (OFPRS) – a statewide cost-sharing plan
3. Oklahoma Municipal Retirement Fund (OMRF-DCP) – an agent multiple-employer defined contribution plan

Summary Defined Benefit Plans Balances:

	Governmental Activities
Net Pension Liability	
Police Pension System	\$ 94,795
Firefighter's Pension System	27,733,504
Total Net Pension Liability	<u>\$ 27,828,299</u>
Deferred Outflows of Resources	
Police Pension System	\$ 2,705,980
Firefighter's Pension System	4,640,032
Total Deferred Outflows of Resources	<u>\$ 7,346,012</u>
Deferred Inflows of Resources	
Police Pension System	\$ 2,587,640
Firefighter's Pension System	3,050,499
Total Deferred Inflows of Resources	<u>\$ 5,638,139</u>

Oklahoma Police Pension and Retirement Systems

Pensions - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oklahoma Police Pension & Retirement System (OPPRS) and additions to/deductions from OPPRS’s fiduciary net position have been determined on the same basis as they are reported by OPPRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Plan description - The City of Midwest City, as the employer, participates in the Oklahoma Police Pension and Retirement Plan—a cost-sharing multiple-employer defined benefit pension plan administered by the Oklahoma Police Pension and Retirement System (OPPRS). Title 11 of the Oklahoma State Statutes, through the Oklahoma Legislature, grants the authority to establish and amend the benefit terms to the OPPRS. OPPRS issues a publicly available financial report that can be obtained at www.ok.gov/OPPRS.

Benefits provided - OPPRS provides retirement, disability, and death benefits to members of the plan. The normal retirement date under the Plan is the date upon which the participant completes 20 years of credited service, regardless of age. Participants become vested upon completing 10 years of credited service as a contributing participant of the Plan. No vesting occurs prior to completing 10 years of credited service. Participants' contributions are refundable, without interest, upon termination prior to normal retirement. Participants who have completed 10 years of credited service may elect a vested benefit in lieu of having their accumulated contributions refunded. If the vested benefit is elected, the participant is entitled to a monthly retirement benefit commencing on the date the participant reaches 50 years of age or the date the participant would have had 20 years of credited service had employment continued uninterrupted, whichever is later.

Monthly retirement benefits are calculated at 2.5% of the final average salary (defined as the average paid base salary of the officer over the highest 30 consecutive months of the last 60 months of credited service) multiplied by the years of credited service, with a maximum of 30 years of credited service considered.

Monthly benefits for participants due to permanent disability incurred in the line of duty are 2.5% of the participants' final average salary multiplied by 20 years. This disability benefit is reduced by stated percentages for partial disability based on the percentage of impairment. After 10 years of credited service, participants who retire due to disability incurred from any cause are eligible for a monthly benefit based on 2.5% of their final average salary multiplied by the years of service. This disability benefit is also reduced by stated percentages for partial disability based on the percentage of impairment. Effective July 1, 1998, once a disability benefit is granted to a participant, that participant is no longer allowed to apply for an increase in the dollar amount of the benefit at a subsequent date.

Survivor's benefits are payable in full to the participant's beneficiary upon the death of a retired participant. The beneficiary of any active participant killed in the line of duty is entitled to a pension benefit.

Contributions - The contributions requirements of the Plan are at an established rate determine by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 8% of their annual pay. Participating cities are required to contribute 13% of the employees' annual pay. Contributions to the pension plan from the City were \$837,945. The State of Oklahoma also made on-behalf contributions to OPPRS in the amount of \$788,612 this is reported as both revenue and expenditure in the Police Fund Statement of Revenues, Expenditures, and Changes in Fund Balance. In the government-wide Statement of Activities, revenue is recognized for the state's on-behalf contributions on an accrual basis of \$825,107. These on-behalf payments did not meet the criteria of a special funding situation.

The City's contract with the union provides that member contributions will be 3% and employer contributions will be 18%.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2016, the City reported a liability of \$94,795 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015. The City's proportion of the net pension liability was based on the City's contributions received by the pension plan relative to the total contributions received by

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pension plan for all participating employers as of June 30, 2015. Based upon this information, the City's proportion was 2.3249%.

For the year ended June 30, 2016, the City recognized pension expense of \$360,457. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 524,165
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	1,698,691	2,063,475
Changes in proportion and differences between City contributions and proportionate share of contributions	26,366	-
City contributions subsequent to the measurement date	980,923	-
Total	\$ 2,705,980	\$ 2,587,640

The \$980,923 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other deferred outflows of resources related to pensions are being amortized over a closed period equal to the average of the expected service lives of all employees as of the beginning of the measurement period, which was 5.77 years and 5.83 years as of July 1, 2015 and 2014, respectively. The deferred inflows relates to the difference between expected and actual investment earnings and is being amortized over a closed 5-year period as of the beginning of each measurement period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	2017	\$	(351,829)
	2018		(351,829)
	2019		(351,829)
	2020		348,373
	2021		(12,251)
Thereafter			-
		\$	(719,365)

Actuarial Assumptions-The total pension liability was determined by an actuarial valuation as of June 30, 2015, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation: 3%

Salary increases: 4.5% to 17% average, including inflation

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Investment rate of return: 7.5% net of pension plan investment expense

Mortality rates: Active employees (pre-retirement) RP-2000 Blue Collar Healthy Combined table with age set back 4 years with fully generational improvement using Scale AA.

Active employees (post-retirement) and nondisabled pensioners: RP-2000 Blue Collar Healthy Combined table with fully generational improvement using scale AA.

Disabled pensioners: RP-2000 Blue Collar Healthy Combined table with age set forward 4 years with fully generational improvement using Scale AA.

The actuarial assumptions used in the July 1, 2015, valuation were based on the results of an actuarial experience study for the period July 1, 2007, to June 30, 2012.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2015, are summarized in the following table:

<u>Asset Class</u>	<u>Real Rate of Return</u>
Fixed income	2.24%
Domestic equity	4.87%
International equity	7.68%
Real estate	5.47%
Private equity/debt	5.80%
Commodities	2.96%

The current allocation policy is that approximately 60% of assets in equity instruments, including public equity, long-short hedge, venture capital, and private equity strategies; approximately 25% of assets in fixed income to include investment grade bonds, high yield and non-dollar denominated bonds, convertible bonds, and low volatility hedge fund strategies; and 15% of assets in real assets to include real estate, commodities, and other strategies.

Discount Rate-The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, determined by State statutes. Projected cash flows also assume the State of Oklahoma will continue contributing 14% of the insurance premium, as established by statute. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate-The following presents the net pension liability (asset) of the employers calculated using the discount rate of 7.5%, as well as what the Plan's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate:

	(6.5%)	Rate (7.5%)	(8.5%)
Employers' net pension liability (asset)	\$ 5,695,986	\$ 94,795	\$ (4,627,398)

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report of the OPPRS; which can be located at www.ok.gov/OPPRS .

Oklahoma Fire Pension and Retirement Systems

Pensions - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oklahoma Firefighters Pension & Retirement System (FPRS) and additions to/deductions from FPRS's fiduciary net position have been determined on the same basis as they are reported by FPRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Plan description - The City of Midwest City, as the employer, participates in the Firefighters Pension & retirement—a cost-sharing multiple-employer defined benefit pension plan administered by the Oklahoma Firefighters Pension & Retirement System (FPRS). Title 11 of the Oklahoma State Statutes grants the authority to establish and amend the benefit terms to the FPRS. FPRS issues a publicly available financial report that can be obtained at www.ok.gov/fprs.

Benefits provided - FPRS provides retirement, disability, and death benefits to members of the plan. Benefits for members hired prior to November 1, 2013 are determined as 2.5 percent of the employee's final average compensation times the employee's years of service and have reached the age of 50 or have complete 20 years of service, whichever is later. For volunteer firefighters, the monthly pension benefit for normal retirement is \$150.60 per month. Benefits vest with 10 years or more of service

Benefits for members hired after November 1, 2013 are determined as 2.5 percent of the employee's final average compensation times the employee's years of service and have reached the age of 50 or have complete 22 years of service, whichever is later. For volunteer firefighters, the monthly pension benefit for normal retirement is \$165.66 per month. Benefits vest with 11 years or more of service

All firefighters are eligible for immediate disability benefits. For paid firefighters, the disability in-the-line-of-duty benefit for firefighters with less than 20 years of service is equal to 50% of final average monthly compensation, based on the most recent 30 months of service. For firefighters with over 20 years of service, a disability in-the-line-of-duty is calculated based on 2.5% of final average monthly compensation, based on the most recent 30 months, per year of service, with a maximum of 30 years of service. For disabilities not-in-the-line-of-duty, the benefit is limited to only those with less than 20 years of service and is 50% of final average monthly compensation, based on the most recent 60-

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month salary as opposed to 30 months. For volunteer firefighters, the not-in-line-of-duty disability is also limited to only those with less than 20 years of service and is \$7.53 per year of service. For volunteer firefighters, the in-line-of-duty pension is \$150.60 with less than 20 years of service, or \$7.53 per year of service, with a maximum of 30 years.

A \$5,000 lump sum death benefit is payable to the qualified spouse or designated recipient upon the participant's death. The \$5,000 death benefit does not apply to members electing the vested benefit.

Contributions - The contributions requirements of the Plan are at an established rate determine by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 9% percent of their annual pay. Participating cities are required to contribute 14% of the employees' annual pay. Contributions to the pension plan from the City were \$873,705. The State of Oklahoma also made on-behalf contributions to FPRS in the amount of \$2,447,937 this is reported as both a revenue and an expenditure in the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance. In the government-wide Statement of Activities, revenue is recognized for the state's on-behalf contributions on an accrual basis of \$2,838,898. These on-behalf payments did not meet the criteria of a special funding situation.

The City's contract with the union provides that member contributions will be 5% and employer contributions will be 18%.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2016, the City reported a liability of \$27,733,504 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015. The City's proportion of the net pension liability was based on the City's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2015. Based upon this information, the City's proportion was 2.6129%.

For the year ended June 30, 2016, the City recognized pension expense of \$2,761,613. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 547,928	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	983,165	3,050,499
Changes in proportion and differences between City contributions and proportionate share of contributions	2,154,805	-
City contributions subsequent to the measurement date	954,134	-
Total	<u>\$ 4,640,032</u>	<u>\$ 3,050,499</u>

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The \$954,134 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other deferred outflows of resources related to pensions are being amortized over a closed period equal to the average of the expected service lives of all employees as of the beginning of the measurement period, which was 6.31 years and 6.37 years as of July 1, 2015 and 2014, respectively. The deferred inflows of resources relates to the difference between expected and actual investment earnings and is being amortized over a closed 5-year period as of the beginning of each measurement period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2017	\$	(220,585)
2018		(220,585)
2019		(220,585)
2020		796,247
2021		449,219
Thereafter		132,017
	<u>\$</u>	<u>715,728</u>

Actuarial Assumptions-The total pension liability was determined by an actuarial valuation as of June 30, 2015, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation:	3%
Salary increases:	3.5% to 9.0% average, including inflation
Investment rate of return:	7.5% net of pension plan investment expense

Mortality rates were based on the RP2000 combined healthy with blue collar adjustment as appropriate, with adjustments for generational mortality improvement using scale AA for healthy lives and no mortality improvement for disabled lives.

The actuarial assumptions used in the July 1, 2015, valuation were based on the results of an actuarial experience study for the period July 1, 2007, to June 30, 2012.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2015, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	20%	5.13%
Domestic equity	37%	8.02%
International equity	20%	9.49%
Real estate	10%	7.47%
Other assets	13%	6.25%

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Discount Rate-The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, determined by State statutes. Projected cash flows also assume the State of Oklahoma will continue contributing 36% of the insurance premium, as established by statute. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate-The following presents the net pension liability of the employers calculated using the discount rate of 7.5%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate:

	(6.5%)	Rate (7.5%)	(8.5%)
Employers' net pension liability	\$ 36,009,051	\$ 27,733,504	\$ 20,792,771

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report of the FPRS; which can be located at www.ok.gov/fprs.

OMRF Defined Contribution Plan:

The City has also provided a defined contribution plan and trust known as the City of Midwest City Plan and Trust (the "Plan") in the form of the Oklahoma Municipal Retirement System Master Defined Contribution Plan an agent multiple employer defined contribution plan. OMRF operations are supervised by a nine-member Council of Trustees elected by the participating municipalities. The Plan is administered by JPMorgan Chase of Oklahoma City. The defined contribution plan is available to all full-time employees on a voluntary basis who are not participating in a state sponsored plan. According to City Ordinance, the employee and employer are required to contribute amounts equal to 0.0% and 14%, respectively, of the employee's salary each month. The employer's contributions for each employee are 50% vested after five years, with 10% vesting for each subsequent year thereafter. If an employee terminates before becoming fully vested, the employer's contributions that are forfeited are allocated to the remaining fund participants based on percentage of contribution. The authority to establish and amend the provisions of the plan rests with the City Council. For the year ended June 30, 2016, the City contributed \$2,111,914 to the plan, while the employee contributions totaled \$2,177.

OMRF issues separate plan financial statements which may be obtained by contacting the Oklahoma Municipal Retirement Fund, 525 Central Park Drive, Suite 320, Oklahoma City, Oklahoma, 73105, or by calling (405) 606-7880.

10. Postemployment Healthcare Plan

Plan Description. The City sponsors Medical, Rx, and Dental insurance to qualifying retirees and their dependents. Coverage is provided through self-insurance that collectively operates as a substantive single-employer defined benefit plan. Qualifying retirees are those employees who are eligible for immediate disability or retirement benefits under the Oklahoma Police Pension and Retirement System, Oklahoma Firefighter’s Pension and Retirement System, or the City of Midwest City Retirement Plan. Retirees may continue coverage with the City by paying the determined rate. Coverage is available for each of the lifetimes of retirees and their spouses. Authority to establish and amend benefit provisions rest with the City Council. Retirees may continue coverage with the City by paying the premium rate. Benefits are paid from general operating assets of the City as assessed by the self-insurance fund. The plan does not issue separate financial statements.

Funding Policy. The contribution requirements of plan members and the City are established by the City Council. Annual health insurance premium amounts are established by the City Council. The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2015, the actuarially expected City contribution in the form of net age adjustment was \$339,570 to the Plan. Plan members receiving benefits contributed \$980,725 of the total premiums, through their payment of the full determined premium in FY 2016.

Annual OPEB Cost and Net OPEB Obligation. The City’s annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period of thirty years. The following table shows the components of the City's annual OPEB cost, the amount actually contributed to the plan, and changes in the City's net OPEB obligation for the year ended June 30, 2016:

Amortization of Actuarial Accrued Liability (AAL)	\$	1,293,611
Normal Cost		320,684
Interest on Net OPEB Obligation		384,164
Amortization of Net OPEB Obligation		(499,491)
Annual OPEB cost (expense)		1,498,968
Expected net benefits during the year		(339,570)
Increase in net OPEB obligation		1,159,398
Net OPEB obligation—beginning of year		8,370,342
Net OPEB obligation—end of year	\$	9,529,740

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/14	\$ 2,718,990	51%	\$ 8,087,659
6/30/15	\$ 1,498,968	81%	\$ 8,370,342
6/30/16	\$ 1,498,968	81%	\$ 9,529,740

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Funded Status and Funding Progress. As of July 1, 2015, the most recent actuarial valuation date, the Plan was not funded. The actuarial accrued liability (AAL) for benefits was \$20,823,987, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$20,823,987. The covered payroll (annual payroll of active employees covered by the plan) was \$30.3 million, and the ratio of the UAAL to the covered payroll was 68.77 percent. Because the plan is a substantive plan there are no plan assets.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2015, actuarial valuation, the Projected Unit Credit actuarial cost method was used. The actuarial assumptions included a 4.75 percent (1.75% real rate of return plus 3.00% inflation) investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the Plan at the valuation date, and an annual healthcare cost trend rate of 7 percent initially, reduced by decrements to an ultimate rate of 5 percent in 2019. The UAAL is being amortized over 30 years based on a level dollar basis on an open basis. The remaining amortization period at July 1, 2014, was thirty years. As of the date of this valuation, there are no plan assets.

The city accounts for the retiree health benefits in an account of the General Fund. The Net OPEB Obligation is shared by the governmental activities and the proprietary funds based upon their percentage of current employees. The governmental activities and the proprietary funds record \$6,839,231 and \$2,690,509, respectively, of the Net OPEB Obligation. In the governmental activities the obligation is shared by the general government function \$2,320,820, the police function \$2,505,664, and the fire function \$1,684,135 and internal service allocation \$492,917.

11. Stewardship, Compliance, and Accountability

By its nature as a local government unit, the City and its component units are subject to various federal, state and local laws and contractual regulations. Title 11, Section 17-211 of the Oklahoma Statutes prohibits the creation of a deficit fund balance in any individual fund of the City (excluding public trusts). At June 30, 2016, the city reported a deficit fund balance of \$62,340 in the Tax Increment Financing Fund. This deficit is due to transfers out at the end of the fiscal year.

12. Commitments and Contingencies

Construction Contracts Outstanding

The following construction contracts were outstanding at June 30, 2016:

15th & Douglas Intersection	\$ 588,617
Carl Albert Water Tower	387,570
CNG Fueling Station	558,600
	<u>\$ 1,534,787</u>

Litigation

The City is a party to various legal proceedings which normally occur in the course of governmental operations. The financial statements do not include accruals or provisions for loss contingencies that may result from these proceedings. State statutes provide for the levy of an ad valorem tax over a three-year period by a City Sinking Fund for the payment of any court assessed judgment rendered against the City. While the outcome of the above noted proceedings cannot be predicted, due to the insurance coverage maintained by the City and the State statute relating to judgments, the City feels that any settlement or judgment not covered by insurance would not have a material adverse effect on the financial condition of the City.

Grant Programs

The City of Midwest City participates in various federal or state grant/loan programs from year to year. The grant/loan programs are often subject to additional audits by agents of the granting or loaning agency, the purpose of which is to ensure compliance with the specific conditions of the grant or loan. The City has not been notified of any noncompliance with federal or state award requirements. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

Hospital Lease

Midwest Regional Medical Center, now known as Alliance Health Midwest, is being operated by a private for-profit corporation under a lease agreement with the Midwest City Memorial Hospital Authority and the City of Midwest City. In January 2014, that corporation was acquired by a third party. Under the terms of the lease agreement, the Authority had to be provided a right of first refusal which provided an opportunity to terminate the lease under certain circumstances. As part of the right of first refusal process, the Authority paid a good faith deposit of \$4,193,251 but rescinded its exercise of its right of first refusal allowing the acquiring company to continue operating the hospital. The Authority believes that the deposit should now be refunded and has recorded the payment as a refundable deposit in its financial statements. The lessee is disputing this and the Authority has undertaken legal proceedings against the lessee. This matter was settled in late November and the Authority recovered the deposit and legal fees.

13. Future Accounting Pronouncements

The GASB has issued several new accounting pronouncements, which will be effective in subsequent years. A description of the new accounting pronouncements, the fiscal year in which they are effective, and the City's consideration of the impact of these pronouncements are described below:

Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68* – GASB No. 73 was issued in June 2015 and establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also amends certain provisions of Statement No. 67, *Financial Reporting for Pension Plans*, and Statement 68 for pension plans and pensions that are within their respective scopes. The requirements of this Statement that address accounting and financial reporting by employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68 are effective for financial statements for fiscal years beginning after June 15, 2016, and the requirements of this Statement that address financial reporting for assets accumulated for purposes of providing those pensions are effective for fiscal years beginning after June 15, 2015. The requirements of this Statement for pension plans that are within the scope of Statement 67 or for pensions that are within the scope of Statement 68 are effective for fiscal years beginning after June 15, 2015. At this time the impact to the city is unknown.

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* - GASB No. 74 was issued in June 2015, and replaces Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, Statement 43, and Statement No. 50, *Pension Disclosures*. This Statement is effective for financial statements for fiscal years beginning after June 15, 2016. At this time the impact to the city is unknown.

Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* – GASB No., 75 was issued in June 2015, and addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For a defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed. This Statement is effective for fiscal years beginning after June 15, 2017. The City has not yet determined the impact that implementation of GASB 75 will have on its net position, although it may be material.

GASB Statement No. 77, *Tax Abatement Disclosures* - GASB 77 was issued in August 2015, and establishes financial reporting standards for tax abatement agreements entered into by state and local governments. The disclosures required by this Statement encompass tax abatements resulting from both (a) agreements that are entered into by the reporting government and (b) agreements that are entered

into by other governments and that reduce the reporting government's tax revenues. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015. At this time the impact to the city is unknown.

GASB Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans* - GASB 78 was issued in December 2015, and amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above. The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. The statement does not affect the city's financial statements.

GASB Statement No. 79, *Certain External Investment Pools and Pool Participants* – GASB 79 was issued in December 2015, and addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in this Statement. The specific criteria address (1) how the external investment pool transacts with participants; (2) requirements for portfolio maturity, quality, diversification, and liquidity; and (3) calculation and requirements of a shadow price. Significant noncompliance prevents the external investment pool from measuring all of its investments at amortized cost for financial reporting purposes. Professional judgment is required to determine if instances of noncompliance with the criteria established by this Statement during the reporting period, individually or in the aggregate, were significant. The requirements of this Statement are effective for reporting periods beginning after June 15, 2015, except for certain provisions on portfolio quality, custodial credit risk, and shadow pricing. Those provisions are effective for reporting periods beginning after December 15, 2015. At this time, the impact to the city is unknown.

GASB Statement No. 80, *Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14* – GASB 80 was issued in January 2016, and amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. At this time, the impact to the city is unknown.

GASB Statement No. 81, *Irrevocable Split-Interest Agreements* – GASB 81 was issued in March 2016, to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. At this time, the impact to the city is unknown.

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GASB Statement No. 83, Certain Asset Retirement Obligations, issued December 2016, will be effective for the City beginning with its fiscal year ending June 30, 2019. Under Statement No. 83, a government that has legal obligations to perform future asset retirement activities related to its tangible capital assets is required to recognize a liability and a corresponding deferred outflow of resources. The Statement identifies the circumstances that trigger the recognition of these transactions. The Statement also requires the measurement of an asset retirement obligation to be based on the best estimate of the current value of outlays expected to be incurred while the deferred outflow of resources associated with the asset retirement obligation will be measured at the amount of the corresponding liability upon initial measurement and generally recognized as an expense during the reporting periods that the asset provides service. The Statement requires disclosures including a general description of the asset retirement obligation and associated tangible capital assets; the source of the obligation to retire the assets; the methods and assumptions used to measure the liability; and other relevant information.

REQUIRED SUPPLEMENTARY INFORMATION

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Budgetary Comparison Schedules – Year Ended June 30, 2016

	GENERAL FUND			
	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budget Basis)	Final Budget Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 1,181,066	\$ 1,040,560	\$ 4,249,192	\$ 3,208,632
Resources (Inflows):				
Taxes	23,408,281	23,729,398	23,421,884	(307,514)
Charges for services	489,167	489,167	486,195	(2,972)
Fines and forfeitures	1,628,507	1,789,526	1,786,146	(3,380)
Licenses and permits	242,435	242,435	367,757	125,322
Investment income	125,154	125,154	113,994	(11,160)
Intergovernmental	439,424	439,424	467,579	28,155
Miscellaneous	211,501	211,501	366,138	154,637
Total Resources (Inflows)	<u>26,544,469</u>	<u>27,026,605</u>	<u>27,009,693</u>	<u>(16,912)</u>
Amounts available for appropriation	<u>27,725,535</u>	<u>28,067,165</u>	<u>31,258,885</u>	<u>3,191,720</u>
Charges to Appropriations (Outflows):				
City Manager	478,636	481,492	467,495	13,997
City Clerk	582,091	603,319	570,956	32,363
Personnel	382,636	382,965	362,859	20,106
City Attorney	102,684	102,684	97,952	4,732
Community Development	1,766,728	1,772,758	1,630,168	142,590
Park & Recreation	625,523	625,743	590,304	35,439
Finance	661,645	683,117	654,086	29,031
Animal Welfare	440,907	442,102	413,704	28,398
Streets	2,997,976	3,015,780	2,737,635	278,145
General Government	1,144,851	1,175,848	1,053,160	122,688
Neighborhood Services	1,149,770	1,151,957	1,099,975	51,982
Information Technology	470,480	485,352	416,391	68,961
Emergency Response	954,232	954,903	914,207	40,696
Swimming Pools	274,156	299,066	285,696	13,370
Total Charges to Appropriations	<u>12,032,315</u>	<u>12,177,086</u>	<u>11,294,588</u>	<u>882,498</u>
Other financing sources (uses)				
Transfers from other funds	10,875,063	10,875,063	10,785,943	(89,120)
Transfers to other funds	(25,811,673)	(26,117,721)	(26,051,802)	65,919
Total other financing sources (uses)	<u>(14,936,610)</u>	<u>(15,242,658)</u>	<u>(15,265,859)</u>	<u>(23,201)</u>
Ending Budgetary Fund Balance	<u>\$ 756,610</u>	<u>\$ 647,421</u>	<u>\$ 4,698,438</u>	<u>\$ 4,051,017</u>

See accompanying notes to this schedule.

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	POLICE FUND			
	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance:	\$ 484,463	\$ 254,859	\$ 2,035,550	\$ 1,780,691
Resources (Inflows):				
Taxes	2,905,074	2,905,074	2,892,569	(12,505)
Charges for services	99,307	98,307	102,497	4,190
License and permits	-	-	2,600	2,600
Investment income	63,113	63,113	56,460	(6,653)
Fines and forfeitures	138,215	138,215	131,097	(7,118)
Miscellaneous	-	26,232	49,352	23,120
Total Resources (Inflows)	<u>3,205,709</u>	<u>3,230,941</u>	<u>3,234,575</u>	<u>3,634</u>
Amounts available for appropriation	<u>3,690,172</u>	<u>3,485,800</u>	<u>5,270,125</u>	<u>1,784,325</u>
Charges to Appropriations (Outflows):				
Public Safety	13,433,601	13,819,346	12,684,493	1,134,853
Total Charges to Appropriations	<u>13,433,601</u>	<u>13,819,346</u>	<u>12,684,493</u>	<u>1,134,853</u>
Other financing sources (uses)				
Transfers from other funds	9,585,243	9,723,634	9,746,074	22,440
Transfers to other funds	-	(34,443)	(34,443)	-
Total other financing sources (uses)	<u>9,585,243</u>	<u>9,689,191</u>	<u>9,711,631</u>	<u>22,440</u>
Ending Budgetary Fund Balance	<u>\$ (158,186)</u>	<u>\$ (644,355)</u>	<u>\$ 2,297,263</u>	<u>\$ 2,941,618</u>

	FIRE FUND			
	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance:	\$ 665,200	\$ (76,206)	\$ 1,481,072	\$ 1,557,278
Resources (Inflows):				
Taxes	2,596,513	2,596,513	2,585,336	(11,177)
Charges for services	22,000	22,000	23,019	1,019
Investment income	47,915	47,915	37,704	(10,211)
Licenses and permits	11,151	11,151	9,990	(1,161)
Miscellaneous	103,197	106,247	44,728	(61,519)
Total Resources (Inflows)	<u>2,780,776</u>	<u>2,783,826</u>	<u>2,700,777</u>	<u>(83,049)</u>
Amounts available for appropriation	<u>3,445,976</u>	<u>2,707,620</u>	<u>4,181,849</u>	<u>1,474,229</u>
Charges to Appropriations (Outflows):				
Public Safety	10,616,922	10,984,126	10,092,393	891,733
Total Charges to Appropriations	<u>10,616,922</u>	<u>10,984,126</u>	<u>10,092,393</u>	<u>891,733</u>
Other financing sources (uses)				
Transfers from other funds	7,670,310	7,801,643	7,812,285	10,642
Transfers to other funds	(166,000)	(191,946)	(191,946)	-
Total other financing sources (uses)	<u>7,504,310</u>	<u>7,609,697</u>	<u>7,620,339</u>	<u>10,642</u>
Ending Budgetary Fund Balance	<u>\$ 333,364</u>	<u>\$ (666,809)</u>	<u>\$ 1,709,795</u>	<u>\$ 2,376,604</u>

Footnotes to Budgetary Comparison Schedule:

1. The budgetary comparison schedules and budgetary fund balance amounts are reported on the modified cash basis of accounting. In addition, obligations that are required to be funded from ending budgetary fund balances are subtracted from total ending budgetary fund balances to arrive at the

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unreserved budgetary fund balance. This presentation of unreserved fund balances on a budgetary basis is used to demonstrate compliance with Article 10, § 26 of the Oklahoma State Constitution.

2. The legal level of appropriation control is the department level within a fund. Transfers of appropriation between departments and object categories require the approval of the City Manager. All supplemental appropriations require the approval of the City Council. Supplemental appropriations must be filed with the Office of the State Auditor and Inspector.

3. The Hospital Authority does not present and budget to actual comparison because it is a Title 60 Public Trust. Title 60 Trust are required to prepare a budget and submit to the beneficiary, but there are no requirements related to form, content or monitoring.

4. The budgetary basis differs from the modified accrual (GAAP) basis as shown in the schedules below:

GENERAL FUND	Fund Balance June 30, 2015	Net Change in Fund Balance	Fund Balance June 30, 2016
Budget to GAAP Reconciliation:			
Fund Balance - GAAP Basis	\$ 7,407,256	\$ 406,712	\$ 7,813,968
Increases (Decreases):			
Revenues:			
Receivable	(3,170,688)	(742,732)	(3,913,420)
Change in fair value of investments	6,468	(13,188)	(6,720)
Expenditures:			
Payables	2,562,995	748,663	3,311,658
Encumbrances	(59,281)	(101,059)	(160,340)
Impact of combining accounts:			
Reimbursed Projects Account	(646,782)	(7,506)	(654,288)
Employee Activity Account	(15,875)	(1,839)	(17,714)
Activity Account	(303,015)	34,406	(268,609)
Animals Best Friend Account	(71,872)	(6,460)	(78,332)
Disaster Relief Account	(1,358,705)	30,940	(1,327,765)
Fund Balance - Budgetary Basis	\$ 4,350,501	\$ 347,937	\$ 4,698,438

POLICE FUND	Fund Balance June 30, 2015	Net Change in Fund Balance	Fund Balance June 30, 2016
Budget to GAAP Reconciliation:			
Fund Balance - GAAP Basis	\$ 3,370,406	\$ 256,651	\$ 3,627,057
Increases (Decreases):			
Revenues:			
Receivable	(1,613,026)	(299,922)	(1,912,948)
Change in fair value of investments	3,576	(6,622)	(3,046)
Expenditures:			
Payables	274,594	311,606	586,200
Fund Balance - Budgetary Basis	\$ 2,035,550	\$ 261,713	\$ 2,297,263

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FIRE FUND	<u>Fund Balance June 30, 2015</u>	<u>Net Change in Fund Balance</u>	<u>Fund Balance June 30, 2016</u>
Budget to GAAP Reconciliation:			
Fund Balance - GAAP Basis	\$ 728,060	\$ 494,373	\$ 1,222,433
Increases (Decreases):			
Revenues:			
Receivable	(1,200,664)	24,915	(1,175,749)
Change in fair value of investments	841	(3,180)	(2,339)
Expenditures:			
Payables	1,952,835	(287,385)	1,665,450
Fund Balance - Budgetary Basis	<u><u>\$ 1,481,072</u></u>	<u><u>\$ 228,723</u></u>	<u><u>\$ 1,709,795</u></u>

Required Supplementary Information – Pension

**Schedules of Required Supplementary Information
SCHEDULE OF THE CITY OF MIDWEST CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OKLAHOMA FIREFIGHTERS PENSION & RETIREMENT SYSTEM
Last 10 Fiscal Years***

	<u>2014</u>	<u>2015</u>
City's proportion of the net pension liability	2.392%	2.613%
City's proportionate share of the net pension liability	\$ 24,598,661	\$ 27,733,504
City's covered-employee payroll	\$ 6,734,825	\$ 7,151,904
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	365%	388%
Plan fiduciary net position as a percentage of the total pension liability	68.12%	68.27%

*The amounts present for each fiscal year were determined as of 6/30

Notes to Schedule:

Only the previous two fiscal years are presented because 10-year data is not yet available.

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**Schedules of Required Supplementary Information
SCHEDULE OF THE CITY OF MIDWEST CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
OKLAHOMA POLICE PENSION & RETIREMENT SYSTEM
Last 10 Fiscal Years***

	<u>2014</u>	<u>2015</u>
City's proportion of the net pension liability (asset)	2.2929%	2.3249%
City's proportionate share of the net pension liability (asset)	\$ (772,001)	\$ 94,795
City's covered-employee payroll	\$6,171,257	\$ 6,571,604
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	(12.51%)	-(1.44%)
Plan fiduciary net position as a percentage of the total pension liability (asset)	101.53%	99.82%

*The amounts present for each fiscal year were determined as of 6/30

Notes to Schedule:

Only the two previous fiscal years are presented because 10-year data is not yet available.

**SCHEDULE OF CITY CONTRIBUTIONS
OKLAHOMA FIREFIGHTERS PENSION & RETIREMENT SYSTEM
Last 10 Fiscal Years**

	<u>2015</u>	<u>2016</u>
Statutorily required contribution	\$ 1,001,267	\$ 969,220
Contributions in relation to the statutorily required contribution	<u>1,064,424</u>	<u>969,270</u>
Contribution deficiency (excess)	<u>\$ (63,157)</u>	<u>\$ (50)</u>
City's covered-employee payroll	\$ 7,151,904	\$6,922,999
Contributions as a percentage of covered-employee payroll	14.88%	14.00%

*The amounts present for each fiscal year were determined as of 6/30

Notes to Schedule:

Only two previous fiscal years are presented because 10-year data is not yet available.

The City's contract with the union provides that member contributions will be 5% and employer contributions will be 18%.

CITY OF MIDWEST CITY, OKLAHOMA
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For the Year Ended June 30, 2016

SCHEDULE OF CITY CONTRIBUTIONS
OKLAHOMA POLICE PENSION & RETIREMENT SYSTEM
Last 10 Fiscal Years

	<u>2015</u>	<u>2016</u>
Statutorily required contribution	\$ 854,309	\$ 873,711
Contributions in relation to the statutorily required contribution	<u>1,021,780</u>	<u>873,705</u>
Contribution deficiency (excess)	<u>\$ (167,471)</u>	<u>\$ 6</u>
City's covered-employee payroll	\$ 6,571,604	\$ 6,720,857
Contributions as a percentage of covered-employee payroll	15.55%	13.00%

*The amounts present for each fiscal year were determined as of 6/30

Notes to Schedule:

Only the two previous fiscal years are presented because 10-year data is not yet available.

The City's contract with the union provides that member contributions will be 3% and employer contributions will be 18%.

Required Supplementary Information – Other Post Employment Benefit (OPEB)

The funded status and funding progress of the City's defined benefit OPEB plan for the most recent actuarial valuations is as follows:

	<u>July 1, 2010</u>	<u>July 1, 2012</u>	<u>July 1, 2014</u>
Actuarial accrued liability - AAL (a)	\$ 29,797,397	\$ 32,591,119	\$ 20,823,987
Actuarial value of plan assets (b)	-	-	-
Unfunded actuarial accrued liability - UAAL (funding excess) (a)-(b)	29,797,397	32,591,119	20,823,987
Funded ratio (b)/(a)	0%	0%	0%
Covered payroll (c)	\$ 25,016,000	\$ 28,628,580	\$ 30,280,298
UAAL (funding excess) as a % of covered payroll [UAAL/(c)]	119%	114%	69%

OTHER SUPPLEMENTARY INFORMATION

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2016**

Combining Balance Sheet – General Fund Accounts – June 30, 2016

	General Fund Accounts						Totals
	General Fund	Reimbursed Projects Account	Employee Activity Account	Activity Account	Animals Best Friend Account	Disaster Relief Account	
ASSETS							
Cash and cash equivalents	\$ 795,158	\$ 145,513	\$ 17,714	\$ 48,579	\$ 74,490	\$ 217,071	\$ 1,298,525
Investments	2,853,268	662,165	-	219,698	-	1,104,479	4,839,610
Accounts receivable	977,979	26,750	-	-	9,673	164,907	1,179,309
Accrued interest receivable	7,536	-	-	-	-	2,917	10,453
Other receivable	13,747	-	-	1,430	-	-	15,177
Due from other governments	2,867,575	-	-	-	-	438	2,868,013
Due from other funds	41,968	-	-	-	-	-	41,968
Prepaid items	4,615	-	-	-	-	-	4,615
Advance from other funds	1,271,817	-	-	-	-	-	1,271,817
Total assets	<u>\$ 8,833,663</u>	<u>\$ 834,428</u>	<u>\$ 17,714</u>	<u>\$ 269,707</u>	<u>\$ 84,163</u>	<u>\$ 1,489,812</u>	<u>\$ 11,529,487</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued liabilities	\$ 234,363	\$ 38,664	\$ -	\$ 459	\$ -	\$ 17,787	\$ 291,273
Wages payable	395,196	-	-	639	-	6,277	402,112
Due to other governments	8,550	-	-	-	-	-	8,550
Refundable deposits	78,055	-	-	-	-	-	78,055
Due to other funds	1,881,934	-	-	-	-	-	1,881,934
Advance to other funds	-	141,476	-	-	-	-	141,476
Total liabilities	<u>2,598,098</u>	<u>180,140</u>	<u>-</u>	<u>1,098</u>	<u>-</u>	<u>24,064</u>	<u>2,803,400</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue	768,305	-	-	-	5,831	137,983	912,119
Fund balances:							
Nonspendable	1,276,432	-	-	-	-	-	1,276,432
Restricted	137,312	594,266	-	198,117	25,637	616,881	1,572,213
Assigned	1,067,502	60,022	17,714	70,492	52,695	710,884	1,979,309
Unassigned	2,986,014	-	-	-	-	-	2,986,014
Total fund balances	<u>5,467,260</u>	<u>654,288</u>	<u>17,714</u>	<u>268,609</u>	<u>78,332</u>	<u>1,327,765</u>	<u>7,813,968</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 8,833,663</u>	<u>\$ 834,428</u>	<u>\$ 17,714</u>	<u>\$ 269,707</u>	<u>\$ 84,163</u>	<u>\$ 1,489,812</u>	<u>\$ 11,529,487</u>

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2016**

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balance – General Fund
Accounts – Year Ended June 30, 2016**

General Fund Accounts							
	General Fund	Reimbursed Projects Account	Employee Activity Account	Activity Account	Animals Best Friend Account	Disaster Relief Account	Totals
REVENUES							
Taxes	\$ 23,308,700	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,308,700
Intergovernmental	467,541	414,078	-	-	-	-	881,619
Charges for services	2,051,689	80,213	-	77,238	-	64,464	2,273,604
Investment income	222,630	17,968	352	6,360	1,458	80,910	329,678
Fines & forfeitures	1,666,417	-	-	-	23,934	-	1,690,351
Licenses & permits	367,757	-	-	-	-	-	367,757
Miscellaneous	366,137	31,099	2,973	91,314	345	110,324	602,192
Total revenues	<u>28,450,871</u>	<u>543,358</u>	<u>3,325</u>	<u>174,912</u>	<u>25,737</u>	<u>255,698</u>	<u>29,453,901</u>
EXPENDITURES							
Current:							
General government	5,079,346	14,897	8,986	-	-	306,388	5,409,617
Public Safety	918,757	4,583	-	-	-	-	923,340
Streets	2,754,360	-	-	-	-	-	2,754,360
Culture and recreation	884,604	1,236	-	139,047	-	-	1,024,887
Health & welfare	408,916	-	-	-	4,648	-	413,564
Economic development	2,747,782	119,048	-	-	-	-	2,866,830
Capital outlay	9,370	384,259	-	70,164	14,629	-	478,422
Debt service:							
Interest and fiscal charges	-	8,238	-	-	-	-	8,238
Total expenditures	<u>12,803,135</u>	<u>532,261</u>	<u>8,986</u>	<u>209,211</u>	<u>19,277</u>	<u>306,388</u>	<u>13,879,258</u>
Revenues over (under) expenditures	<u>15,647,736</u>	<u>11,097</u>	<u>(5,661)</u>	<u>(34,299)</u>	<u>6,460</u>	<u>(50,690)</u>	<u>15,574,643</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	10,783,733	-	-	-	-	19,750	10,803,483
Transfers out	(25,967,716)	(3,591)	-	(107)	-	-	(25,971,414)
Transfers in - interaccount	-	-	7,500	-	-	-	7,500
Transfers out - interaccount	(7,500)	-	-	-	-	-	(7,500)
Total other financing sources (uses)	<u>(15,191,483)</u>	<u>(3,591)</u>	<u>7,500</u>	<u>(107)</u>	<u>-</u>	<u>19,750</u>	<u>(15,167,931)</u>
Net change in fund balances	456,253	7,506	1,839	(34,406)	6,460	(30,940)	406,712
Fund balances - beginning of year	5,011,007	646,782	15,875	303,015	71,872	1,358,705	7,407,256
Fund balances - end of year	<u>\$ 5,467,260</u>	<u>\$ 654,288</u>	<u>\$ 17,714</u>	<u>\$ 268,609</u>	<u>\$ 78,332</u>	<u>\$ 1,327,765</u>	<u>\$ 7,813,968</u>

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2016

Combining Balance Sheet – Nonmajor Governmental Funds – June 30, 2016

	Special Revenue Funds										
	Grant Fund	Juvenile Fund	Park & Recreation Fund	Emergency Operations Fund	Technology Fund	Welcome Center Fund	Police Impound Fund	Street & Alley Fund	Police Special Projects Fund	Police Lab Fee Fund	Convention/Visitors Bureau Fund
ASSETS											
Cash and cash equivalents	\$ 215,462	\$ 73,081	\$ 99,008	\$ 118,337	\$ 85,151	\$ 62,888	\$ 163,033	\$ 293,771	\$ 177,016	\$ 16,457	\$ 34,669
Investments	-	-	450,542	538,498	387,486	286,175	-	1,494,733	-	-	157,764
Accrued interest receivable	-	-	-	-	-	-	-	3,948	-	-	-
Deposits held by others	-	-	-	-	-	-	-	-	-	-	-
Other receivable	26,876	61,804	3,200	1,223	159,593	-	2,700	-	-	6,090	-
Due from other governments	56,893	-	61,186	42,921	-	17,565	-	48,364	-	-	32,788
Due from other funds	1,505	780	-	4,037	-	323	-	-	-	-	148
Inventory	60,000	-	-	-	-	-	-	-	-	-	-
Advance from other funds	-	-	-	-	-	-	-	-	-	-	-
Total assets	<u>360,736</u>	<u>135,665</u>	<u>613,936</u>	<u>705,016</u>	<u>632,230</u>	<u>366,951</u>	<u>165,733</u>	<u>1,840,816</u>	<u>177,016</u>	<u>22,547</u>	<u>225,369</u>
LIABILITIES AND FUND BALANCES											
Liabilities:											
Accounts payable and accrued liabilities	18,072	-	18,108	-	11,317	1,037	-	334,678	1,608	90	3,055
Wages payable	19,600	7,195	3,040	16,487	9,160	6,812	-	-	-	-	8,641
Due to other funds	45,718	-	-	-	-	-	283	-	-	-	-
Advance to other funds	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	<u>83,390</u>	<u>7,195</u>	<u>21,148</u>	<u>16,487</u>	<u>20,477</u>	<u>7,849</u>	<u>283</u>	<u>334,678</u>	<u>1,608</u>	<u>90</u>	<u>11,696</u>
Deferred inflows:											
Unavailable revenue	18,384	53,393	-	-	121,136	-	-	-	-	4,989	-
Fund balances:											
Nonspendable	60,000	-	-	-	-	-	-	-	-	-	-
Restricted	198,962	75,077	592,788	688,529	490,617	359,102	165,450	1,506,138	175,408	17,468	213,673
Assigned	-	-	-	-	-	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-	-	-	-	-	-
Total fund balances	<u>258,962</u>	<u>75,077</u>	<u>592,788</u>	<u>688,529</u>	<u>490,617</u>	<u>359,102</u>	<u>165,450</u>	<u>1,506,138</u>	<u>175,408</u>	<u>17,468</u>	<u>213,673</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 360,736</u>	<u>\$ 135,665</u>	<u>\$ 613,936</u>	<u>\$ 705,016</u>	<u>\$ 632,230</u>	<u>\$ 366,951</u>	<u>\$ 165,733</u>	<u>\$ 1,840,816</u>	<u>\$ 177,016</u>	<u>\$ 22,547</u>	<u>\$ 225,369</u>

(continued)

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2016

Combining Balance Sheet – Nonmajor Governmental Funds – June 30, 2016

	Special Revenue Funds			Capital Project Funds					Debt Service Fund	Totals	
	Urban Renewal Authority	General Government Sales Tax Fund	Tax Increment Financing Fund	Downtown Development Authority	2002 Street Project Fund	Dedicated Tax 2012 Fund	Sales Tax Capital Improvement Fund	Capital Improvement Fund	Capital Outlay Reserve Fund		G.O. Debt Services Fund
ASSETS											
Cash and cash equivalents	\$ 62,623	\$ 319,352	\$ -	\$ 477,300	\$ 507,657	\$ 203,834	\$ -	\$ 363,234	\$ 161,011	\$ 225,570	\$ 3,659,454
Investments	-	1,624,893	-	2,428,546	2,583,004	1,037,127	-	1,848,169	732,689	1,147,720	14,717,346
Accrued interest receivable	-	4,292	-	6,415	6,823	2,739	-	4,882	-	3,032	32,131
Deposits held by others	-	-	-	687,300	300	-	-	5,000	-	-	692,600
Other receivable	-	-	-	429,972	-	-	-	-	-	-	691,458
Due from other governments	-	52,460	-	-	-	52,460	677,799	12,653	-	384,900	1,439,989
Due from other funds	-	47,772	-	-	-	-	-	773,890	-	-	828,455
Inventory	-	-	-	-	-	-	-	-	-	-	60,000
Advance from other funds	-	-	-	141,476	-	-	-	-	-	-	141,476
Total assets	62,623	2,048,769	-	4,171,009	3,097,784	1,296,160	677,799	3,007,828	893,700	1,761,222	22,262,909
LIABILITIES AND FUND BALANCES											
Liabilities:											
Accounts payable and accrued liabilities	-	112,638	-	29,229	309,852	-	-	71,367	-	-	911,051
Wages payable	-	-	-	2,688	-	-	-	-	-	-	73,623
Due to other funds	-	-	-	-	-	-	677,799	-	-	-	723,800
Advance to other funds	-	-	62,340	-	-	-	-	-	-	-	62,340
Total liabilities	-	112,638	62,340	31,917	309,852	-	677,799	71,367	-	-	1,770,814
Deferred inflows:											
Unavailable revenue	-	-	-	-	-	-	-	-	-	368,501	566,403
Fund balances:											
Nonspendable	-	-	-	687,300	300	-	-	5,000	-	-	752,600
Restricted	3,804	1,891,698	-	1,818,803	2,787,632	1,296,160	-	2,555,863	746,652	1,392,721	16,976,545
Assigned	58,819	44,433	-	1,632,989	-	-	-	375,598	147,048	-	2,258,887
Unassigned (deficit)	-	-	(62,340)	-	-	-	-	-	-	-	(62,340)
Total fund balances	62,623	1,936,131	(62,340)	4,139,092	2,787,932	1,296,160	-	2,936,461	893,700	1,392,721	19,925,692
Total liabilities, deferred inflows, and fund balances	\$ 62,623	\$ 2,048,769	\$ -	\$ 4,171,009	\$ 3,097,784	\$ 1,296,160	\$ 677,799	\$ 3,007,828	\$ 893,700	\$ 1,761,222	\$ 22,262,909

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2016

Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Governmental Funds – Year Ended June 30, 2016

	Special Revenue Funds										
	Grant Fund	Juvenile Fund	Park & Recreation Fund	Emergency Operations Fund	Technology Fund	Welcome Center Fund	Police Impound Fund	Street & Alley Fund	Police Special Projects Fund	Police Lab Fee Fund	Convention/Visitors Bureau Fund
REVENUES											
Taxes	\$ -	\$ -	\$ 518,439	\$ 352,140	\$ -	\$ 179,351	\$ -	\$ -	\$ -	\$ -	\$ 334,789
Intergovernmental	662,660	-	-	-	-	-	-	529,784	-	-	-
Charges for services	-	-	-	27,250	303,406	-	73,500	-	-	-	-
Investment income	205	1,618	11,267	16,669	10,859	7,603	3,308	104,032	3,570	449	3,900
Fines & forfeitures	-	103,409	-	-	26,913	-	-	-	15,730	9,149	-
Licenses & permits	-	-	-	-	24,800	-	-	-	-	-	-
Miscellaneous	18,864	-	41,534	-	83	24,986	-	-	6,067	-	-
Total revenues	681,729	105,027	571,240	396,059	366,061	211,940	76,808	633,816	25,367	9,598	338,689
EXPENDITURES											
Current:											
General government	-	-	-	-	446,334	-	-	-	-	-	-
Public safety	163,918	162,238	-	365,171	-	-	1,837	-	20,136	10,784	-
Streets	-	-	-	-	-	-	-	58,500	-	-	-
Culture and recreation	-	-	307,481	-	-	170,199	-	-	-	-	-
Economic development	583,733	-	-	-	-	-	-	-	-	-	287,294
Capital outlay	32,304	-	80,254	86,078	-	17,469	22,365	855,845	9,760	3,507	1,029
Debt service:											
Principal retirement	-	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	779,955	162,238	387,735	451,249	446,334	187,668	24,202	914,345	29,896	14,291	288,323
Revenues over (under) expenditures	(98,226)	(57,211)	183,505	(55,190)	(80,273)	24,272	52,606	(280,529)	(4,529)	(4,693)	50,366
OTHER FINANCING SOURCES (USES)											
Transfers in	148,808	25,000	-	18,750	45,673	-	-	60,708	-	-	-
Transfers out	(137,665)	(429)	(647)	(46,209)	(601)	(589)	(1,682)	-	-	-	(428)
Total other financing sources (uses)	11,143	24,571	(647)	(27,459)	45,072	(589)	(1,682)	60,708	-	-	(428)
Net change in fund balances	(87,083)	(32,640)	182,858	(82,649)	(35,201)	23,683	50,924	(219,821)	(4,529)	(4,693)	49,938
Fund balances - beginning of year	346,045	107,717	409,930	771,178	525,818	335,419	114,526	1,725,959	179,937	22,161	163,735
Fund balances - end of year	\$ 258,962	\$ 75,077	\$ 592,788	\$ 688,529	\$ 490,617	\$ 359,102	\$ 165,450	\$ 1,506,138	\$ 175,408	\$ 17,468	\$ 213,673

(continued)

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2016

Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Governmental Funds – Year Ended June 30, 2016

	Special Revenue Funds			Capital Project Funds					Debt Service Fund		Totals
	Urban Renewal Authority	General Government Sales Tax Fund	Tax Increment Financing Fund	Downtown Development Authority	2002 Street Project Fund	Dedicated Tax 2012 Fund	Sales Tax Capital Improvement Fund	Capital Improvement Fund	Capital Outlay Reserve Fund	G.O. Debt Services Fund	
REVENUES											
Taxes	\$ -	\$ 430,394	\$ 1,166,123	\$ -	\$ -	\$ 430,394	\$ 5,558,011	\$ 106,669	\$ -	\$ 1,511,910	\$ 10,588,220
Intergovernmental	-	-	-	-	-	-	-	-	-	8,013	1,200,457
Charges for services	-	-	-	1,455,775	-	-	-	-	-	-	1,859,931
Investment income	687	118,450	1,072	154,705	188,554	67,342	2,628	130,086	19,913	83,896	930,813
Fines & forfeitures	-	-	-	-	-	-	-	-	-	-	155,201
Licenses & permits	-	-	-	-	-	-	-	162,795	-	-	187,595
Miscellaneous	-	28,600	-	1,857	141,648	-	-	-	-	33	263,672
Total revenues	<u>687</u>	<u>577,444</u>	<u>1,167,195</u>	<u>1,612,337</u>	<u>330,202</u>	<u>497,736</u>	<u>5,560,639</u>	<u>399,550</u>	<u>19,913</u>	<u>1,603,852</u>	<u>15,185,889</u>
EXPENDITURES											
Current:											
General government	-	114,296	174	-	-	-	-	-	-	-	560,804
Public safety	-	-	-	-	-	-	-	-	-	-	724,084
Streets	-	-	-	-	23,402	12,041	-	-	-	-	93,943
Culture and recreation	-	-	-	-	-	-	-	-	-	-	477,680
Economic development	6,868	-	-	170,130	-	-	-	-	-	-	1,048,025
Capital outlay	-	746,994	-	330,146	769,723	213,847	-	391,698	-	-	3,561,019
Debt service:											
Principal retirement	-	-	-	-	-	-	-	-	-	1,400,000	1,400,000
Interest and fiscal charges	-	-	48,222	-	-	-	-	-	-	143,669	191,891
Total expenditures	<u>6,868</u>	<u>861,290</u>	<u>48,396</u>	<u>500,276</u>	<u>793,125</u>	<u>225,888</u>	<u>-</u>	<u>391,698</u>	<u>-</u>	<u>1,543,669</u>	<u>8,057,446</u>
Revenues over (under) expenditures	<u>(6,181)</u>	<u>(283,846)</u>	<u>1,118,799</u>	<u>1,112,061</u>	<u>(462,923)</u>	<u>271,848</u>	<u>5,560,639</u>	<u>7,852</u>	<u>19,913</u>	<u>60,183</u>	<u>7,128,443</u>
OTHER FINANCING SOURCES (USES)											
Transfers in	65,000	133,290	-	-	-	-	-	657,415	-	-	1,154,644
Transfers out	-	-	-	(501,017)	-	-	(6,252,669)	(180,000)	-	(32,442)	(7,154,378)
Total other financing sources (uses)	<u>65,000</u>	<u>133,290</u>	<u>-</u>	<u>(501,017)</u>	<u>-</u>	<u>-</u>	<u>(6,252,669)</u>	<u>477,415</u>	<u>-</u>	<u>(32,442)</u>	<u>(5,999,734)</u>
Net change in fund balances	58,819	(150,556)	1,118,799	611,044	(462,923)	271,848	(692,030)	485,267	19,913	27,741	1,128,709
Fund balances - beginning of year	3,804	2,086,687	(1,181,139)	3,528,048	3,250,855	1,024,312	692,030	2,451,194	873,787	1,364,980	18,796,983
Fund balances - end of year	<u>\$ 62,623</u>	<u>\$ 1,936,131</u>	<u>\$ (62,340)</u>	<u>\$ 4,139,092</u>	<u>\$ 2,787,932</u>	<u>\$ 1,296,160</u>	<u>\$ -</u>	<u>\$ 2,936,461</u>	<u>\$ 893,700</u>	<u>\$ 1,392,721</u>	<u>\$ 19,925,692</u>

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Combining Schedule of Net Position – Midwest City Municipal Authority Accounts – June 30, 2016

	Midwest City Municipal Authority						Total
	Water Account	Sewer Account	Sanitation Account	Conference Center/Hotel Account	Drainage Account	Debt Service Account	
ASSETS							
Current assets:							
Cash and cash equivalents	\$ 257,664	\$ 1,396,110	\$ 305,689	\$ 379,762	\$ 104,422	\$ -	\$ 2,443,647
Cash and cash equivalents, restricted	-	-	-	-	-	2,652,850	2,652,850
Investments	1,172,520	6,334,566	1,555,372	888,874	475,178	-	10,426,510
Accounts receivable, net	986,800	1,094,080	805,536	184,875	62,913	-	3,134,204
Other receivable	-	-	-	82,954	-	-	82,954
Accrued interest receivable	-	12,824	4,108	2,348	-	-	19,280
Inventory	150,560	95,908	-	-	-	-	246,468
Due from other funds	27,271	993	50,744	12,203	-	643,909	735,120
Total current assets	<u>2,594,815</u>	<u>8,934,481</u>	<u>2,721,449</u>	<u>1,551,016</u>	<u>642,513</u>	<u>3,296,759</u>	<u>19,741,033</u>
Non-current assets:							
Due from other funds	1,330,785	62,340	-	-	-	-	1,393,125
Land, construction in progress, and water rights	6,632,098	1,114,420	712,036	5,444	1,250	-	8,465,248
Other capital assets, net	17,260,543	80,907,336	3,732,921	22,184,367	13,968,027	-	138,053,194
Total non-current assets	<u>25,223,426</u>	<u>82,084,096</u>	<u>4,444,957</u>	<u>22,189,811</u>	<u>13,969,277</u>	<u>-</u>	<u>147,911,567</u>
Total assets	<u>27,818,241</u>	<u>91,018,577</u>	<u>7,166,406</u>	<u>23,740,827</u>	<u>14,611,790</u>	<u>3,296,759</u>	<u>167,652,600</u>
DEFERRED OUTFLOWS OF RESOURCES							
Deferred amount on refunding	-	-	-	-	-	927,989	927,989
LIABILITIES							
Current liabilities:							
Accounts payable and accrued liabilities	513,884	3,066,739	210,671	299,201	35	-	4,090,530
Wages payable	98,874	131,986	38,490	69,313	10,368	-	349,031
Due to other funds	1,384	-	-	740,000	-	-	741,384
Accrued interest payable	-	-	-	-	-	777,621	777,621
Accrued compensated absences	124,957	146,690	34,561	35,511	12,661	-	354,380
Refundable deposits	-	-	-	48,208	-	-	48,208
Notes payable	216,090	-	-	-	-	-	216,090
Revenue bonds payable	-	-	-	-	-	4,185,000	4,185,000
Total current liabilities	<u>955,189</u>	<u>3,345,415</u>	<u>283,722</u>	<u>1,192,233</u>	<u>23,064</u>	<u>4,962,621</u>	<u>10,762,244</u>
Non-current liabilities:							
Accrued compensated absences	249,914	293,380	69,121	7,101	25,322	-	644,838
Net OPEB obligation	636,685	1,026,912	328,612	-	82,153	-	2,074,362
Notes payable	-	-	-	-	-	-	-
Revenue bonds payable, net	-	-	-	-	-	56,028,024	56,028,024
Total non-current liabilities	<u>886,599</u>	<u>1,320,292</u>	<u>397,733</u>	<u>7,101</u>	<u>107,475</u>	<u>56,028,024</u>	<u>58,747,224</u>
Total liabilities	<u>1,841,788</u>	<u>4,665,707</u>	<u>681,455</u>	<u>1,199,334</u>	<u>130,539</u>	<u>60,990,645</u>	<u>69,509,468</u>
NET POSITION							
Net investment in capital assets	23,676,551	82,021,756	4,444,957	22,189,811	13,969,277	(59,285,035)	87,017,317
Restricted for debt service	-	-	-	-	-	1,871,171	1,871,171
Unrestricted (deficit)	2,299,902	4,331,114	2,039,994	351,682	511,974	647,967	10,182,633
Total net position	<u>\$ 25,976,453</u>	<u>\$ 86,352,870</u>	<u>\$ 6,484,951</u>	<u>\$ 22,541,493</u>	<u>\$ 14,481,251</u>	<u>\$ (56,765,897)</u>	<u>\$ 99,071,121</u>

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Combining Schedule of Revenues, Expenses and Changes in Net Position – Midwest City Municipal Authority Accounts – Year Ended June 30, 2016

	Midwest City Municipal Authority						Total
	Water Account	Sewer Account	Sanitation Account	Conference Center/Hotel Account	Drainage Account	Debt Service Account	
OPERATING REVENUES							
Charges for services	\$ 6,443,139	\$ 7,810,908	\$ 5,737,874	\$ 5,363,322	\$ 447,488	\$ -	\$ 25,802,731
Fees, licenses and permits	12,000	20,050	-	-	-	-	32,050
Miscellaneous	5,612	98	18,135	-	733	-	24,578
Total operating revenues	6,460,751	7,831,056	5,756,009	5,363,322	448,221	-	25,859,359
OPERATING EXPENSES							
Personal services	2,377,828	3,614,324	1,200,000	2,379,854	295,370	-	9,867,376
Materials and supplies	884,601	514,307	797,341	1,258,346	68,070	-	3,522,665
Other services and charges	1,514,545	2,520,393	1,989,102	1,597,715	38,659	-	7,660,414
Depreciation and amortization	636,540	2,640,864	439,116	939,947	269,001	-	4,925,468
Total operating expenses	5,413,514	9,289,888	4,425,559	6,175,862	671,100	-	25,975,923
Operating income (loss)	1,047,237	(1,458,832)	1,330,450	(812,540)	(222,879)	-	(116,564)
NON-OPERATING REVENUES (EXPENSES)							
Investment income	111,443	432,980	118,103	43,716	12,927	5,214	724,383
Interest expense and fiscal charges	(11,739)	-	-	-	-	(1,233,052)	(1,244,791)
Gain (loss) on asset retirement	560	981	1,956	(2,114)	-	-	1,383
Total non-operating revenue (expenses)	100,264	433,961	120,059	41,602	12,927	(1,227,838)	(519,025)
Income (loss) before contributions and transfers	1,147,501	(1,024,871)	1,450,509	(770,938)	(209,952)	(1,227,838)	(635,589)
Transfers in	250,073	733,174	-	-	215,746	15,455,312	16,654,305
Transfers out	(816,060)	(2,173,629)	(1,511,820)	(360,000)	(804)	(9,261,684)	(14,123,997)
Change in net position	581,514	(2,465,326)	(61,311)	(1,130,938)	4,990	4,965,790	1,894,719
Total net position - beginning	25,394,939	88,818,196	6,546,262	23,672,431	14,476,261	(61,731,687)	97,176,402
Total net position - ending	\$ 25,976,453	\$ 86,352,870	\$ 6,484,951	\$ 22,541,493	\$ 14,481,251	\$ (56,765,897)	\$ 99,071,121

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Combining Schedule of Cash Flows – Midwest City Municipal Authority Accounts – June 30, 2016

	Midwest City Municipal Authority						Total
	Water Account	Sewer Account	Sanitation Account	Conference Center/Hotel Account	Drainage Account	Debt Service Account	
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from customers	\$ 6,593,454	\$ 7,816,542	\$ 5,693,302	\$ 5,424,029	\$ 447,382	\$ -	\$ 25,974,709
Payments to suppliers	(2,247,685)	(2,582,126)	(2,784,274)	(2,871,317)	(128,868)	-	(10,614,270)
Payments to employees	(2,298,279)	(3,243,514)	(1,171,683)	(2,366,782)	(262,185)	-	(9,342,443)
Receipts (payments) from interfund loans	(13,966)	(939)	(1,899)	326,574	-	(643,909)	(334,139)
Net cash provided by (used in) operating activities	2,033,524	1,989,963	1,735,446	512,504	56,329	(643,909)	5,683,857
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Transfers from other funds	250,073	733,174	-	-	215,746	15,455,312	16,654,305
Transfers to other funds	(816,060)	(2,173,629)	(1,511,820)	(360,000)	(804)	(9,261,684)	(14,123,997)
Net cash provided by (used in) noncapital financing activities	(565,987)	(1,440,455)	(1,511,820)	(360,000)	214,942	6,193,628	2,530,308
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Capital assets purchased	(1,375,308)	(2,160,669)	(399,451)	(357,636)	(295,185)	-	(4,588,249)
Principal paid on capital debt	(212,039)	-	-	-	-	(4,055,000)	(4,267,039)
Payments of interfund loan for capital purchases	(1,330,785)	1,118,799	-	-	-	-	(211,986)
Interest and fiscal charges paid on capital debt	(11,739)	-	-	-	-	(1,489,935)	(1,501,674)
Proceeds from sale of capital assets	560	981	-	3,425	-	-	4,966
Net cash provided by (used in) capital and related financing activities	(2,929,311)	(1,040,889)	(399,451)	(354,211)	(295,185)	(5,544,935)	(10,563,982)
CASH FLOWS FROM INVESTING ACTIVITIES							
Sale (purchase) of investments	1,099,360	(40,832)	4,893	100,010	13,638	-	1,177,069
Interest and dividends	111,272	408,091	110,129	39,146	12,927	5,322	686,887
Net cash provided by (used in) investing activities	1,210,632	367,259	115,022	139,156	26,565	5,322	1,863,956
Net increase (decrease) in cash and cash equivalents	(251,142)	(124,122)	(60,803)	(62,551)	2,651	10,106	(485,861)
Balances - beginning of year	508,806	1,520,232	366,492	442,313	101,771	2,642,744	5,582,358
Balances - end of year	\$ 257,664	\$ 1,396,110	\$ 305,689	\$ 379,762	\$ 104,422	\$ 2,652,850	\$ 5,096,497
Reconciliation to Statement of Net Position:							
Cash and cash equivalents	\$ 257,664	\$ 1,396,110	\$ 305,689	\$ 379,762	\$ 104,422	\$ -	\$ 2,443,647
Restricted cash and cash equivalents	-	-	-	-	-	2,652,850	2,652,850
Total cash and cash equivalents	\$ 257,664	\$ 1,396,110	\$ 305,689	\$ 379,762	\$ 104,422	\$ 2,652,850	\$ 5,096,497
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:							
Operating income (loss)	\$ 1,047,237	\$ (1,458,832)	\$ 1,330,450	\$ (812,540)	\$ (222,879)	\$ -	\$ (116,564)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation expense	636,540	2,640,864	439,116	939,947	269,001	-	4,925,468
Loss on impairment of capital asset	-	826,576	-	-	-	-	826,576
Change in assets and liabilities:							
Receivables, net	(99,385)	(14,514)	(62,707)	47,381	(839)	-	(130,064)
Other receivable	232,088	-	-	6,876	-	-	238,964
Due from other funds	(14,152)	(939)	(1,899)	(3,426)	-	(643,909)	(664,325)
Inventory	(14,380)	978	-	-	-	-	(13,402)
Accounts payable	165,841	(374,980)	2,169	(15,256)	(22,139)	-	(244,365)
Due to other funds	186	-	-	330,000	-	-	330,186
Due to employees	9,491	24,946	2,657	15,354	2,513	-	54,961
Refundable deposits	-	-	-	6,450	-	-	6,450
Unfunded OPEB obligation	48,002	254,265	34,270	-	26,964	-	363,501
Accrued compensated absences	22,056	91,599	(8,610)	(2,282)	3,708	-	106,471
Net cash provided by (used in) operating activities	\$ 2,033,524	\$ 1,989,963	\$ 1,735,446	\$ 512,504	\$ 56,329	\$ (643,909)	\$ 5,683,857

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Combining Statement of Net Position - Nonmajor Enterprise Funds – June 30, 2016

	<u>Utilities Authority</u>	<u>Utility Services</u>	<u>Utilities Capital Fund</u>	<u>Customer Deposit Fund</u>	<u>Golf Courses Fund</u>	<u>29th & Douglas Fund</u>	<u>Total</u>
ASSETS							
Current assets:							
Cash and cash equivalents	\$ 177,472	\$ 56,204	\$ 154,888	\$ -	\$ 30,456	\$ -	\$ 419,020
Cash and cash equivalents, restricted	-	-	-	234,475	-	-	234,475
Investments	807,595	255,758	704,827	-	128,924	-	1,897,104
Receivables:							
Other receivable	-	-	-	-	3,349	-	3,349
Interest	-	-	-	3,150	-	-	3,150
Due from other funds	-	58,958	846,845	1,384	546	-	907,733
Accounts receivable, net	-	68,407	-	1,399	-	-	69,806
Inventories	-	-	-	-	3,121	-	3,121
Total current assets	<u>985,067</u>	<u>439,327</u>	<u>1,706,560</u>	<u>240,408</u>	<u>166,396</u>	<u>-</u>	<u>3,537,758</u>
Non-current assets:							
Investments, restricted	-	-	-	1,193,028	-	-	1,193,028
Land, construction in progress, and water rights	415,063	1,936	74,129	-	232,057	5,500,000	6,223,185
Other capital assets, net	2,808,142	20,734	6,166,143	-	1,477,964	-	10,472,983
Total non-current assets	<u>3,223,205</u>	<u>22,670</u>	<u>6,240,272</u>	<u>1,193,028</u>	<u>1,710,021</u>	<u>5,500,000</u>	<u>17,889,196</u>
Total assets	<u>4,208,272</u>	<u>461,997</u>	<u>7,946,832</u>	<u>1,433,436</u>	<u>1,876,417</u>	<u>5,500,000</u>	<u>21,426,954</u>
LIABILITIES							
Current liabilities:							
Accounts payable and accrued liabilities	39,123	16,736	135,763	-	10,471	-	202,093
Wages payable	-	34,065	-	-	35,755	-	69,820
Unearned revenue	-	-	-	-	-	-	-
Due to other funds	-	-	58,958	13,592	-	-	72,550
Accrued compensated absences	-	29,449	-	-	45,889	-	75,338
Refundable deposits	-	-	-	143,230	-	-	143,230
Total current liabilities	<u>39,123</u>	<u>80,250</u>	<u>194,721</u>	<u>156,822</u>	<u>92,115</u>	<u>-</u>	<u>563,031</u>
Non-current liabilities:							
Accrued compensated absences	-	58,898	-	-	91,779	-	150,677
Net OPEB Obligation	-	287,535	-	-	164,306	-	451,841
Refundable deposits	-	-	-	1,276,614	-	-	1,276,614
Advance to other funds	-	-	1,330,785	-	-	181,059	1,511,844
Total non-current liabilities	<u>-</u>	<u>346,433</u>	<u>1,330,785</u>	<u>1,276,614</u>	<u>256,085</u>	<u>181,059</u>	<u>3,390,976</u>
Total liabilities	<u>39,123</u>	<u>426,683</u>	<u>1,525,506</u>	<u>1,433,436</u>	<u>348,200</u>	<u>181,059</u>	<u>3,954,007</u>
NET POSITION							
Net investment in capital assets	3,223,205	22,670	6,240,272	-	1,710,021	5,500,000	16,696,168
Restricted for other purposes	216,134	48,038	-	-	50,251	-	314,423
Unrestricted (deficit)	729,810	(35,394)	181,054	-	(232,055)	(181,059)	462,356
Total net position	<u>\$ 4,169,149</u>	<u>\$ 35,314</u>	<u>\$ 6,421,326</u>	<u>\$ -</u>	<u>\$ 1,528,217</u>	<u>\$ 5,318,941</u>	<u>\$ 17,472,947</u>

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Combining Statement of Revenues, Expenses and Changes in Net Position - Nonmajor Enterprise Funds – Year Ended June 30, 2016

	<u>Utilities Authority</u>	<u>Utility Services</u>	<u>Utilities Capital Fund</u>	<u>Customer Deposit Fund</u>	<u>Golf Courses Fund</u>	<u>29th & Douglas Fund</u>	<u>Total</u>
OPERATING REVENUES							
Charges for services	\$ -	\$ 1,036,016	\$ -	\$ -	\$ 1,114,869	\$ 100	\$ 2,150,985
Total operating revenues	<u>-</u>	<u>1,036,016</u>	<u>-</u>	<u>-</u>	<u>1,114,869</u>	<u>100</u>	<u>2,150,985</u>
OPERATING EXPENSES							
Personal services	-	854,775	-	-	781,714	-	1,636,489
Materials and supplies	-	30,284	3,675	-	183,027	-	216,986
Other services and charges	-	167,554	-	-	115,546	27,279	310,379
Depreciation and amortization	23,988	4,424	384,649	-	101,872	-	514,933
Total operating expenses	<u>23,988</u>	<u>1,057,037</u>	<u>388,324</u>	<u>-</u>	<u>1,182,159</u>	<u>27,279</u>	<u>2,678,787</u>
Operating income (loss)	<u>(23,988)</u>	<u>(21,021)</u>	<u>(388,324)</u>	<u>-</u>	<u>(67,290)</u>	<u>(27,179)</u>	<u>(527,802)</u>
NON-OPERATING REVENUES (EXPENSES)							
Investment income	57,408	6,420	16,065	82,076	3,490	-	165,459
Other non-operating revenue	-	79,530	71,639	-	-	-	151,169
Gain (loss) on sales of capital assets	-	-	-	-	4,645	-	4,645
Interest expense and fiscal charges	-	-	(29,964)	-	-	-	(29,964)
Total non-operating revenue (expenses)	<u>57,408</u>	<u>85,950</u>	<u>57,740</u>	<u>82,076</u>	<u>8,135</u>	<u>-</u>	<u>291,309</u>
Income (loss) before contributions and transfers	<u>33,420</u>	<u>64,929</u>	<u>(330,584)</u>	<u>82,076</u>	<u>(59,155)</u>	<u>(27,179)</u>	<u>(236,493)</u>
Capital contributions	-	-	-	-	3,591	-	3,591
Transfers in	522,309	-	874,867	-	-	135,894	1,533,070
Transfers out	-	(100,789)	-	(44,841)	(4,019)	-	(149,649)
Change in net position	<u>555,729</u>	<u>(35,860)</u>	<u>544,283</u>	<u>37,235</u>	<u>(59,583)</u>	<u>108,715</u>	<u>1,150,519</u>
Total net position - beginning	<u>3,613,420</u>	<u>71,174</u>	<u>5,877,043</u>	<u>(37,235)</u>	<u>1,587,800</u>	<u>5,210,226</u>	<u>16,322,428</u>
Total net position - ending	<u>\$ 4,169,149</u>	<u>\$ 35,314</u>	<u>\$ 6,421,326</u>	<u>\$ -</u>	<u>\$ 1,528,217</u>	<u>\$ 5,318,941</u>	<u>\$ 17,472,947</u>

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Combining Statement of Cash Flows - Nonmajor Enterprise Funds – June 30, 2016

	<u>Utilities Authority</u>	<u>Utility Services</u>	<u>Utilities Capital Fund</u>	<u>Customer Deposit Fund</u>	<u>Golf Courses Fund</u>	<u>29th & Douglas Fund</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from customers	\$ -	\$ 1,114,327	\$ 71,639	\$ 741	\$ 1,115,479	\$ 100	\$ 2,302,286
Payments to suppliers	(44,935)	(197,738)	(492,836)	-	(301,467)	(27,279)	(1,064,255)
Payments to employees	-	(764,961)	-	-	(704,949)	-	(1,469,910)
Payments of interfund loan	-	-	(846,845)	13,391	9,577	-	(823,877)
Receipt of customer deposits	-	-	-	520,622	-	-	520,622
Return of customer deposits	-	-	-	(492,830)	-	-	(492,830)
Net cash provided by (used in) operating activities	(44,935)	151,628	(1,268,042)	41,924	118,640	(27,179)	(1,027,964)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Transfers from other funds	522,309	-	874,867	-	-	135,894	1,533,070
Transfers to other funds	-	(100,789)	-	(44,841)	(4,019)	-	(149,649)
Net cash provided by (used in) noncapital financing activities	522,309	(100,789)	874,867	(44,841)	(4,019)	135,894	1,383,421
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Capital assets purchased	(709,373)	(2,966)	(63,996)	-	(49,749)	-	(826,084)
Proceeds from interfund loan for capital purchases	-	-	1,398,797	-	-	-	1,398,797
Payments of interfund loan for capital purchases	-	-	(68,012)	-	-	(108,715)	(176,727)
Interest and fiscal charges paid on capital debt	-	-	(29,964)	-	-	-	(29,964)
Proceeds from sale of capital assets	-	-	-	-	4,645	-	4,645
Net cash provided by (used in) capital and related financing activities	(709,373)	(2,966)	1,236,825	-	(45,104)	(108,715)	370,667
CASH FLOWS FROM INVESTING ACTIVITIES							
Sale (purchase) of investments	131,162	(42,491)	(704,827)	(98,978)	(128,924)	-	(844,058)
Interest and dividends	57,285	6,420	16,065	78,783	3,490	-	162,043
Net cash provided by (used in) investing activities	188,447	(36,071)	(688,762)	(20,195)	(125,434)	-	(682,015)
Net increase (decrease) in cash and cash equivalents	(43,552)	11,802	154,888	(23,112)	(55,917)	-	44,109
Balances - beginning of year	221,024	44,402	-	257,587	86,373	-	609,386
Balances - end of year	\$ 177,472	\$ 56,204	\$ 154,888	\$ 234,475	\$ 30,456	\$ -	\$ 653,495
Reconciliation to Statement of Net Position:							
Cash and cash equivalents	\$ 177,472	\$ 56,204	\$ 154,888	\$ -	\$ 30,456	\$ -	\$ 419,020
Restricted cash and cash equivalents	-	-	-	234,475	-	-	234,475
Total cash and cash equivalents	\$ 177,472	\$ 56,204	\$ 154,888	\$ 234,475	\$ 30,456	\$ -	\$ 653,495
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:							
Operating income (loss)	\$ (23,988)	\$ (21,021)	\$ (388,324)	\$ -	\$ (67,290)	\$ (27,179)	\$ (527,802)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation expense	23,988	4,424	384,649	-	101,872	-	514,933
Other non operating revenue	-	79,530	71,639	-	-	-	151,169
Change in assets and liabilities:							
Receivables, net	-	(1,219)	-	741	610	-	132
Due from other funds	-	-	(846,845)	(201)	9,577	-	(837,469)
Accounts payable	(44,935)	100	(489,161)	-	(2,476)	-	(536,472)
Inventory	-	-	-	-	(418)	-	(418)
Due to other funds	-	-	-	13,592	-	-	13,592
Due to employees	-	1,784	-	-	4,695	-	6,479
Refundable deposits	-	-	-	27,792	-	-	27,792
Accrued compensated absences	-	2,855	-	-	18,142	-	20,997
Net OPEB obligation	-	85,175	-	-	53,928	-	139,103
Net cash provided by (used in) operating activities	\$ (44,935)	\$ 151,628	\$ (1,268,042)	\$ 41,924	\$ 118,640	\$ (27,179)	\$ (1,027,964)

CITY OF MIDWEST CITY, OKLAHOMA
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As of and for the Year Ended June 30, 2016

Combining Statement of Net Position– Internal Service Funds – June 30, 2016

	Public Works Administration	Fleet Services Fund	Surplus Property Fund	Risk Management Fund	L & H Benefits Fund	Totals
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 51,153	\$ 157,531	\$ 61,162	\$ 538,915	\$ 73,239	\$ 882,000
Investments	232,775	-	244,548	2,742,047	1,490,251	4,709,621
Receivables:						
Accounts receivable	-	-	767	51,833	31,566	84,166
Accrued interest receivable	-	-	-	7,243	3,936	11,179
Due from other funds	-	599	-	-	-	599
Inventories	-	53,639	-	-	-	53,639
Total current assets	<u>283,928</u>	<u>211,769</u>	<u>306,477</u>	<u>3,340,038</u>	<u>1,598,992</u>	<u>5,741,204</u>
Non-current assets:						
Capital Assets:						
Non-depreciable	-	1,141	-	-	-	1,141
Depreciable, net of accumulated depreciation	154,784	870,103	92,249	-	-	1,117,136
Total non-current assets	<u>154,784</u>	<u>871,244</u>	<u>92,249</u>	<u>-</u>	<u>-</u>	<u>1,118,277</u>
Total assets	<u>438,712</u>	<u>1,083,013</u>	<u>398,726</u>	<u>3,340,038</u>	<u>1,598,992</u>	<u>6,859,481</u>
LIABILITIES						
Current liabilities:						
Accounts payable and accrued liabilities	3,258	100,689	917	27,346	197,741	329,951
Claims liability	-	-	-	552,000	549,088	1,101,088
Wages payable	34,674	32,341	946	6,787	1,586	76,334
Due to other funds	-	-	236,923	-	-	236,923
Accrued compensated absences	49,693	34,394	522	10,681	731	96,021
Total current liabilities	<u>87,625</u>	<u>167,424</u>	<u>239,308</u>	<u>596,814</u>	<u>749,146</u>	<u>1,840,317</u>
Non-current liabilities:						
Accrued compensated absences	99,385	68,789	1,045	21,361	1,461	192,041
Net OPEB obligation	164,306	266,997	20,538	20,538	20,538	492,917
Claims liability	-	-	-	1,252,000	-	1,252,000
Total non-current liabilities	<u>263,691</u>	<u>335,786</u>	<u>21,583</u>	<u>1,293,899</u>	<u>21,999</u>	<u>1,936,958</u>
Total liabilities	<u>351,316</u>	<u>503,210</u>	<u>260,891</u>	<u>1,890,713</u>	<u>771,145</u>	<u>3,777,275</u>
NET POSITION						
Net investment in capital assets	154,784	871,244	92,249	-	-	1,118,277
Unrestricted (deficit)	(67,388)	(291,441)	45,586	1,449,325	827,847	1,963,929
Total net position	<u>\$ 87,396</u>	<u>\$ 579,803</u>	<u>\$ 137,835</u>	<u>\$ 1,449,325</u>	<u>\$ 827,847</u>	<u>\$ 3,082,206</u>

CITY OF MIDWEST CITY, OKLAHOMA
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As of and for the Year Ended June 30, 2016

Combining Statement of Revenues, Expenses and Changes in Net Position – Internal Service Funds – Year Ended June 30, 2016

	<u>Public Works Administration</u>	<u>Fleet Services Fund</u>	<u>Surplus Property Fund</u>	<u>Risk Management Fund</u>	<u>L & H Benefits Fund</u>	<u>Totals</u>
OPERATING REVENUES						
Charges for services	\$ 912,824	\$ 2,179,638	\$ 44,070	\$ 1,931,986	\$ 5,272,997	\$ 10,341,515
Miscellaneous	-	524	274	3,109	72,711	76,618
Total operating revenues	<u>912,824</u>	<u>2,180,162</u>	<u>44,344</u>	<u>1,935,095</u>	<u>5,345,708</u>	<u>10,418,133</u>
OPERATING EXPENSES						
Personal services	934,923	1,047,211	49,596	180,648	53,218	2,265,596
Materials and supplies	7,251	1,354,772	398	31,303	-	1,393,724
Other services and charges	96,915	79,173	10,302	4,123,649	16,520	4,326,559
Insurance claims and expenses	-	-	-	(2,205,000)	5,748,711	3,543,711
Depreciation and amortization	33,328	63,789	4,353	-	-	101,470
Total operating expenses	<u>1,072,417</u>	<u>2,544,945</u>	<u>64,649</u>	<u>2,130,600</u>	<u>5,818,449</u>	<u>11,631,060</u>
Operating income (loss)	<u>(159,593)</u>	<u>(364,783)</u>	<u>(20,305)</u>	<u>(195,505)</u>	<u>(472,741)</u>	<u>(1,212,927)</u>
NON-OPERATING REVENUES						
Investment income	5,936	1,846	6,622	201,224	107,543	323,171
Gain (loss) on capital asset disposal	-	-	-	-	-	-
Total non-operating revenue	<u>5,936</u>	<u>1,846</u>	<u>6,622</u>	<u>201,224</u>	<u>107,543</u>	<u>323,171</u>
Change in net position	(155,405)	(365,530)	(13,790)	5,430	(365,359)	(894,654)
Total net position - beginning, restated	242,801	945,333	151,625	1,443,895	1,193,206	3,976,860
Total net position - ending	<u>\$ 87,396</u>	<u>\$ 579,803</u>	<u>\$ 137,835</u>	<u>\$ 1,449,325</u>	<u>\$ 827,847</u>	<u>\$ 3,082,206</u>

CITY OF MIDWEST CITY, OKLAHOMA
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Combining Statement of Cash Flows – Internal Service Funds – Year Ended June 30, 2016

	Public Works Administration	Fleet Services Fund	Surplus Property Fund	Risk Management Fund	L & H Benefits Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	\$ 912,824	\$ 2,180,162	\$ 45,790	\$ 1,883,384	\$ 5,348,194	\$ 10,370,354
Payments to suppliers	(107,614)	(1,366,505)	(10,097)	(4,153,140)	(16,520)	(5,653,876)
Payments to employees	(734,369)	(760,596)	(29,101)	(163,093)	(32,418)	(1,719,577)
Claims and benefits paid	-	-	-	1,804,000	(5,611,391)	(3,807,391)
Payment from (to) other funds	-	(524)	12,996	-	-	12,472
Net cash provided by (used in) operating activities	70,841	52,537	19,588	(628,849)	(312,135)	(798,018)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Operating transfers out	(1,748)	(2,593)	(107)	(289)	(161)	(4,898)
Net cash provided by (used in) noncapital financing activities	(1,748)	(2,593)	(107)	(289)	(161)	(4,898)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Capital assets purchased	(7,329)	(14,597)	-	-	-	(21,926)
Net cash provided by (used in) capital and related financing activities	(7,329)	(14,597)	-	-	-	(21,926)
CASH FLOWS FROM INVESTING ACTIVITIES						
Sale (purchase) of investments	(53,808)	-	(17,315)	272,651	21,058	222,586
Interest and dividends	5,936	1,846	6,622	187,131	107,957	309,492
Net cash provided by (used in) investing activities	(47,872)	1,846	(10,693)	459,782	129,015	532,078
Net increase (decrease) in cash and cash equivalents	13,892	37,193	8,788	(169,356)	(183,281)	(292,764)
Balances - beginning of year	37,261	120,338	52,374	708,271	256,520	1,174,764
Balances - end of year	\$ 51,153	\$ 157,531	\$ 61,162	\$ 538,915	\$ 73,239	\$ 882,000
Reconciliation to Statement of Net Position:						
Cash and cash equivalents	\$ 51,153	\$ 157,531	\$ 61,162	\$ 538,915	\$ 73,239	\$ 882,000
Total cash and cash equivalents	\$ 51,153	\$ 157,531	\$ 61,162	\$ 538,915	\$ 73,239	\$ 882,000
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	\$ (159,593)	\$ (364,783)	\$ (20,305)	\$ (195,505)	\$ (472,741)	\$ (1,212,927)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation expense	33,328	63,789	4,353	-	-	101,470
Change in assets and liabilities:						
Receivables, net	-	-	1,446	(51,711)	2,486	(47,779)
Due from other funds	-	(524)	-	-	-	(524)
Inventory	-	14,851	-	-	-	14,851
Accounts payable	(3,448)	52,589	603	1,812	127,803	179,359
Claims liability	-	-	-	(401,000)	9,517	(391,483)
Due to employees	10,134	2,064	(347)	834	(465)	12,220
Due to other funds	-	-	12,996	-	-	12,996
Net OPEB obligation	164,306	266,997	20,538	20,538	20,538	492,917
Accrued compensated absences	26,114	17,554	304	(3,817)	727	40,882
Net cash provided by (used in) operating activities	\$ 70,841	\$ 52,537	\$ 19,588	\$ (628,849)	\$ (312,135)	\$ (798,018)

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Debt Service Coverage Schedule - Year Ended June 30, 2016

	2011 and 2011A Revenue Bonds
GROSS REVENUE AVAILABLE:	
Water revenue	\$ 6,460,751
Wastewater revenue	7,831,056
Pledged sales tax	13,849,343
Investment income	544,423
Total Gross Revenue Available	28,685,573
OPERATING EXPENSES:	
Total Operating Expenses	11,425,998
Net Revenue Available for Debt Service	\$ 17,259,575
Average Annual Debt Service	
2011 Revenue Bonds	\$ 1,808,379
2011A Revenue Bonds	4,709,500
	\$ 6,517,879
Computed Coverage	265%
Coverage Requirement	125%

**CITY OF MIDWEST CITY, OKLAHOMA
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As of and for the Year Ended June 30, 2016**

STATISTICAL INFORMATION

**CITY OF MIDWEST CITY, OKLAHOMA
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As of and for the Year Ended June 30, 2016**

**General Government Expenditures by Function
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Streets</u>	<u>Health and Welfare</u>	<u>Culture & Recreation</u>	<u>Economic Development</u>	<u>Debt Services</u>	<u>Total</u>
2006-07	\$ 4,638,916	\$ 19,653,099	\$ 2,860,439	\$ 1,060,332	\$ 1,269,324	\$ 4,286,769	\$ 1,874,210	\$ 35,643,089
2007-08	4,433,847	22,751,353	4,704,754	9,065,571	1,833,511	4,151,318	3,096,734	50,037,088
2008-09	4,731,952	28,025,096	5,832,627	23,077,926	1,720,807	4,523,604	2,241,289	70,153,301
2009-10	4,341,709	25,474,931	14,974,806	1,491,596	1,657,029	4,648,669	2,811,624	55,400,364
2010-11	6,459,976	25,157,469	6,006,443	160,983	1,120,863	4,915,834	3,679,296	47,500,864
2011-12	5,423,037	27,570,275	3,702,871	629	1,989,113	4,813,173	3,745,698	47,244,796
2012-13	5,216,187	27,388,784	3,460,381	110,935	2,841,490	4,704,086	3,856,073	47,577,936
2013-14	6,972,885	27,386,699	4,382,912	463,886	2,112,589	5,028,554	3,753,029	50,100,554
2014-15	6,704,404	28,657,862	5,138,517	410,969	1,746,966	3,792,050	3,650,604	50,101,372
2015-16	7,714,835	27,494,864	4,865,569	755,691	2,037,909	4,644,064	3,505,294	51,018,226

**CITY OF MIDWEST CITY, OKLAHOMA
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**Governmental Revenues By Source
Last Ten Fiscal Years**

Fiscal Year	Taxes	Intergov- ernmental	Licenses & Permits	Charges for Services	Fines & Forfeitures	Investment Income	Misc Revenues	Total
2006-07	\$ 28,111,696	\$ 1,173,791	\$ 566,845	\$ 1,851,771	\$ 1,458,500	\$ 11,216,338	\$ 612,269	\$ 44,991,210
2007-08	31,705,767	8,261,565	413,183	1,766,807	1,916,846	(3,275,268)	1,162,943	41,951,843
2008-09	32,399,044	4,903,868	420,663	2,127,414	2,104,237	(9,252,051)	775,469	33,478,644
2009-10	33,166,047	4,906,373	385,949	2,066,991	1,878,424	6,582,036	2,445,317	51,431,137
2010-11	33,566,216	6,440,504	395,511	2,193,602	2,001,322	14,546,261	552,201	59,695,617
2011-12	36,586,145 *	5,462,968	330,553	2,636,087	2,170,041	2,749,217	742,978	50,677,989
2012-13	39,796,809	5,205,283	392,512	2,249,961	1,960,694	10,846,574	1,492,193	61,944,026
2013-14	40,546,435	5,668,145	304,395	2,545,726	1,976,580	15,736,403	2,367,115	69,144,799
2014-15	39,781,445	5,543,732	349,439	3,662,747	2,045,294	8,377,665	2,381,400	62,141,722
2015-16	40,296,979	5,367,958	567,942	4,259,051	1,971,146	3,546,362	1,938,936	57,948,374

* A new sales/use Tax became effective January 1, 2012 changing the rate from 3.3 to 3.85

**CITY OF MIDWEST CITY, OKLAHOMA
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**Assessed Value of Taxable Property
Last Ten Fiscal Years**

Fiscal Year	Real Property	Personal Property	Public Service Property	Veteran and Homestead Exemption	Total Actual		Ratio of Total Assessed Value to Total Estimated Actual Value
					Assessed Value	Estimated Actual Value	
2007	\$ 216,308,965	\$ 27,831,980	\$ 12,095,233	\$ 10,654,076	\$ 245,582,102	\$ 2,232,564,564	11%
2008	233,726,705	27,869,971	12,100,868	14,043,632	259,653,912 (1)	2,360,490,127	11%
2009	244,609,641	29,359,839	12,004,561	14,504,429	271,469,612 (1)	2,467,905,563	11%
2010	252,013,094	27,856,671	13,374,321	10,453,302	278,216,075 (1)	2,529,237,045	11%
2011	258,517,927	27,728,562	13,697,571	10,398,494	284,605,074 (1)	2,587,318,855	11%
2012	259,775,001	27,954,136	13,431,063	10,164,671	285,884,862 (1)	2,598,953,291	11%
2013	263,908,805	28,917,523	11,834,175	15,286,274	289,374,229 (1)	2,630,674,809	11%
2014	267,452,466	28,135,094	11,407,389	15,250,420	291,744,529 (1)	2,652,222,991	11%
2015	272,926,268	26,469,753	11,878,425	9,320,146	296,030,326 (1)	2,691,184,782	11%
2016	283,028,134	25,089,341	11,544,013	9,165,223	304,059,153 (1)	2,764,174,118	11%

(1) New established exemption for veterans

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Property Tax Rates – All Overlapping Governments
(Per \$1,000 of Assessed Value)
Last Ten Fiscal Years

Fiscal Year	City Sinking Fund	MWC Schools	Rose State College	Oklahoma County	Total Midwest City Resident	Choctaw Schools	Total Midwest City Resident	OKC Schools	Total Midwest City Resident
2007	8.32	64.31	17.67	22.29	112.59	63.11	111.39	56.73	105.01
2008	7.29	65.05	17.30	23.18	112.82	66.66	114.43	52.48	100.25
2009	7.24	65.83	17.40	24.79	115.26	68.50	117.93	58.43	107.86
2010	6.81	65.60	17.32	24.27	114.00	69.41	117.81	58.70	107.10
2011	6.62	64.64	17.18	24.06	112.50	70.22	118.08	62.09	109.95
2012	6.09	66.55	17.10	23.97	113.71	72.49	119.65	59.29	106.45
2013	5.78	64.98	17.02	23.87	111.65	76.19	122.86	60.39	107.06
2014	5.44	70.32	20.33	23.58	119.67	76.18	125.53	59.36	108.71
2015	5.18	71.03	19.88	23.72	119.81	76.17	124.95	59.71	108.49
2016	0.96	70.64	19.65	23.81	115.06	76.17	120.59	59.36	103.78

**CITY OF MIDWEST CITY, OKLAHOMA
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Computation of Legal Debt Margin
June 30, 2016

Net assessed valuation	\$304,059,153
Debt limit (a)	\$30,405,915
Applicable bonds outstanding	\$2,700,000
Legal debt margin	\$27,705,915

(a) Article 10, Section 26 of the Constitution of the State of Oklahoma limits municipal debt to 10% of net assessed valuation for certain types of general obligation bonds.

CITY OF MIDWEST CITY, OKLAHOMA
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Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt
To Total General Governmental Expenditures
Last Ten Fiscal Years

Fiscal Year	Principal	Interest (1)	Total Debt Service	Total General Governmental Expenditures	Ratio of Debt Service to Government Expenditures
2006-07	\$ 1,075,000	\$ 599,313	\$ 1,674,313	\$ 35,643,089	4.70%
2007-08	1,350,000	1,102,596	2,452,596	50,037,088	4.90%
2008-09	1,400,000	635,560	2,035,560	70,153,301	2.90%
2009-10	1,400,000	569,623	1,969,623	55,400,364	3.56%
2010-11	1,400,000	503,685	1,903,685	47,500,864	4.01%
2011-12	1,400,000	437,342	1,837,342	47,244,796	3.89%
2012-13	1,400,000	370,754	1,770,754	47,577,936	3.72%
2013-14	1,400,000	304,167	1,704,167	50,100,554	3.40%
2014-15	1,400,000	259,975	1,659,975	50,101,372	3.31%
2015-16	1,400,000	190,700	1,590,700	51,018,226	3.12%

(1) Excludes bond issuance and other costs

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Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt
To Assessed Value and Net General Obligation Bonded Debt Per Capita
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population</u>	<u>Assessed Value</u>	<u>Gross Bonded Debt</u>	<u>Less Debt Service Money Available</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
2006-07	54,088	\$ 245,582,102	\$ 15,250,000	\$ 1,961,500	\$ 13,288,500	5.41%	246
2007-08	54,088	259,653,914	13,900,000	1,683,112	12,216,888	4.71%	226
2008-09	54,088	271,469,612	12,500,000	1,513,528	10,986,472	4.05%	203
2009-10	54,088	278,216,075	11,100,000	1,500,619	9,599,381	3.45%	177
2010-11	54,371	284,605,074	9,700,000	1,504,457	8,195,543	2.88%	151
2011-12	54,371	285,884,862	8,300,000	1,551,565	6,748,435	2.36%	124
2012-13	54,371	289,374,229	6,900,000	1,428,884	5,471,116	1.89%	101
2013-14	54,371	291,744,529	5,500,000	1,373,216	4,126,784	1.41%	76
2014-15	54,371	296,030,326	4,100,000	1,364,980	2,735,020	0.92%	50
2015-16	54,371	304,059,153	2,700,000	1,392,720	1,307,280	0.43%	24

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2016

Revenue Bond and Note Coverage
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Gross Revenues</u>	<u>Direct Operating Expenses</u>	<u>Net Revenue Available for Debt Service</u>	<u>Maximum Annual Debt Service</u>	<u>Debt Service Coverage</u>
2006-07	\$ 11,389,730	\$ 7,378,584	\$ 4,011,146	\$ 2,000,344	2.01
2007-08	14,201,820	7,372,367	6,829,453	2,000,344	3.41
2008-09	14,535,584	8,191,452	6,344,132	2,000,344	3.17
2009-10	14,822,864	7,867,225	6,955,639	2,000,344	3.48
2010-11	15,207,582	8,004,126	7,203,456	2,000,344	3.60
2011-12	17,702,453	8,669,659	9,032,794	6,517,879	1.39
2012-13	27,258,461	9,443,537	17,814,924	6,517,879	2.73
2013-14	28,567,824	9,583,902	18,983,902	6,517,879	2.91
2014-15	28,465,993	9,581,604	18,884,389	6,517,879	2.70
2015-16	28,685,573	11,425,998	17,259,575	6,517,879	2.65

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2016**

Demographic Statistics

<u>Year</u>	<u>Population</u>	<u>Population Percent Change</u>
1950	10,166	0.00%
1960	36,058	254.69%
1970	48,212	33.71%
1980	49,559	2.79%
1990	52,267	5.46%
2000	54,088	3.48%
2010	54,371	0.50%

Population is taken from US Census conducted every 10 years.

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2016**

New Construction
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Commercial Construction</u>		<u>Residential Construction</u>		<u>Total Construction</u>
	<u>Number of Units</u>	<u>Value</u>	<u>Number of Units</u>	<u>Value</u>	
2006-07	245	\$ 49,578,946	\$ 618	\$ 33,434,637	\$ 83,013,583
2007-08	251	44,469,520	537	29,373,333	73,842,853
2008-09	264	28,032,074	504	29,169,569	57,201,643
2009-10	184	11,614,006	457	18,846,251	30,460,257
2010-11	98	14,052,174	203	23,937,338	37,989,512
2011-12	28	97,003,650	237	20,332,200	117,335,850
2012-13	27	54,561,650	120	19,020,411	73,582,061
2013-14	8	6,398,000	69	11,878,466	18,276,466
2014-15	15	6,748,210	103	16,365,722	23,113,932
2015-16	26	69,362,500	126	23,727,017	93,089,517

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2016**

Miscellaneous Statistics
June 30, 2016

Date of Incorporation	1943
Form of government	Council-manager
Square miles in city limits	28
Miles of streets	565 Lane miles
Education	
Number of primary schools	8
Number of secondary schools	3
Number of High schools	2
Number of colleges	1
Police Protection	
Number of officers	94
Fire Protection	
Number of stations	6
Number of headquarters	1
Number of personnel per shift	24
	25
Public Works	
Water storage capacity (millions of gallons)	9.5
Miles of water lines	300.5
Miles of sanitary sewer lines	281.4

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2016

Miscellaneous Statistics, Continued
June 30, 2016

City Employees

<u>Fiscal Year</u>	<u>Full Time Government</u>	<u>Full Time Hotel/Conference Center</u>
2006-07	503	-
2007-08	499	-
2008-09	499	-
2009-10	502	60
2010-11	494	62
2011-12	493	62
2012-13	491	-
2013-14	489	-
2014-15	477	-
2015-16	472	-

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2016

Miscellaneous Statistics, Continued
June 30, 2016

City Water Usage (Gallons)

<u>Fiscal Year</u>	<u>Annual Usage</u>	<u>Average Daily Usage</u>
2006-07	2,021,890,000	5,539,425
2007-08	1,863,117,000	5,104,430
2008-09	1,931,741,887	5,292,444
2009-10	1,910,755,000	5,234,945
2010-11	1,953,204,878	5,351,246
2011-12	2,025,176,197	5,548,428
2012-13	1,902,831,000	5,213,236
2013-14	1,699,549,985	4,656,301
2014-15	1,604,378,570	4,395,558
2015-16	1,778,171,000	4,857,417



NEW BUSINESS/
PUBLIC DISCUSSION





EXECUTIVE SESSION





City Manager
100 N. Midwest Boulevard
Midwest City, OK 73110
Office: 405.739.1204
Fax: 405-739-1208
www.midwestcityok.org

MEMORANDUM

TO: Honorable Mayor and City Council

FROM: J. Guy Henson, City Manager

DATE: February 14, 2017

SUBJECT: Discussion and consideration of 1) entering into executive session, as allowed under 25 O.S. § 307 (B) (2) to discuss negotiations concerning employees and representatives of employee groups; and 2) in open session, authorizing the city manager to take action as appropriate based on the discussion in executive session.

Appropriate information will be available.

J. GUY HENSON, AICP
City Manager



MUNICIPAL AUTHORITY
AGENDA





MIDWEST CITY MUNICIPAL AUTHORITY AGENDA



City Hall, Midwest City Council Chambers, 100 N. Midwest Boulevard

February 14, 2017 - 7:01 PM

- A. CALL TO ORDER.
- B. CONSENT AGENDA. These items are placed on the Consent Agenda so that trustees of the Midwest City Municipal Authority, by unanimous consent, can approve routine agenda items by one motion. If any item proposed does not meet with approval of all trustees, or members of the audience wish to discuss a proposed item, that item will be removed and heard in regular order.
 - 1. Discussion and consideration of approving the minutes of the staff briefing and regular meeting of January 24, 2017, as submitted. (Secretary - S. Hancock)
 - 2. Discussion and consideration of awarding a bid and entering into a contract to refurbished four (4), six (6) and eight (8) Yard New Front Load Refuse Containers from MCS Heartland LLC. (Public Works - P. Streets)
 - 3. Discussion and consideration of declaring one (1) 2008 Jacobsen 522 mower, serial #BAA! 6808201887, one (1) 2003 Ezgo Workhorse model 1200 c-203, serial #1579744 from John Conrad Golf Course, and twelve (12) empty polymer totes from the Water Resource Recovery Facility surplus property and authorizing their disposal by sealed bid or auction. (Public Works - V. Sullivan)
- C. NEW BUSINESS/PUBLIC DISCUSSION.
- D. ADJOURNMENT.



CONSENT AGENDA



Notice of regular meetings for staff briefings for the Midwest City Municipal Authority was filed for the calendar year with the City Clerk of Midwest City and copies of the agenda for this meeting were posted at City Hall and on the City's website, accessible to the public for at least 24 hours in advance of the meeting.

**MINUTES OF THE REGULAR STAFF BRIEFING FOR
MIDWEST CITY MUNICIPAL AUTHORITY TRUSTEES**

January 24, 2017 – 6:00 p.m.

This regular meeting was held in the Midwest City Council Conference Room on the second floor of City Hall, 100 N. Midwest Boulevard, Midwest City, County of Oklahoma, State of Oklahoma. The following members were present: Chairman Matt Dukes; Trustees Susan Eads, Pat Byrne, Rick Dawkins, Sean Reed, Christine Allen, and Jeff Moore; and Secretary Sara Hancock. Absent: none.

Chairman Dukes called the meeting to order at 7:00 p.m.

Clarification of agenda items, handouts, and presentation of new or additional information for items on the Municipal Authority agenda for January 24, 2017. The Trustees had no questions about the individual agenda items. City Manager Guy Henson asked the Trustees to pull Consent Agenda item four and take no action.

Chairman Dukes closed the meeting at 7:00 p.m.

ATTEST:

MATTHEW D. DUKES, II, Chairman

SARA HANCOCK, Secretary

Notice of regular Midwest City Municipal Authority meetings was filed for the calendar year with the City Clerk of Midwest City and copies of the agenda for this meeting were posted at City Hall and on Midwest City's website, accessible to the public for at least 24 hours in advance of the meeting.

MINUTES OF THE REGULAR MIDWEST CITY MUNICIPAL AUTHORITY MEETING

January 24, 2017 - 7:01 p.m.

This regular meeting was held in the Midwest City Council Chambers, 100 North Midwest Boulevard, Midwest City, County of Oklahoma, State of Oklahoma. The following members were present: Chairman Matt Dukes, Trustees Susan Eads, Pat Byrne, Rick Dawkins, Sean Reed, Christine Allen, and Jeff Moore; and Secretary Sara Hancock. Absent: none. Chairman Dukes called the meeting to order at 8:41 p.m.

Consent Agenda. Motion was made by Dawkins, seconded by Allen, to approve the items on the consent agenda, as submitted, except for item four.

1. Discussion and consideration of approving the minutes of the staff briefing and regular meeting of January 10, 2017, as submitted.
2. Discussion and consideration of accepting the report on the current financial condition of the Sheraton Midwest City Hotel at the Reed Center for the period ending December 31, 2016.
3. Discussion and consideration of declaring one (1) Range Servant ball dispenser, serial #08GL1003, one (1) Range Servant golf ball picker, serial #SL90 and one (1) Husky 33 gallon air compressor model 516-051, serial #20110058425 from the John Conrad Golf Course surplus property and authorizing their disposal by sealed bid or auction.
4. **Discussion and consideration of declaring one thousand (1,000) cubic yards of compost from the Wastewater Department surplus property and authorizing its disposal by sale at a cost of \$20.00 per cubic yard loaded, or delivered within 25 miles at a cost of \$100.00 plus the cost of the compost.** No action was taken on this item.

Voting aye: Eads, Byrne, Dawkins, Reed, Allen, Moore, and Mayor Dukes. Nay: none. Absent: none. Motion carried.

New Business/Public Discussion. There was no new business or public discussion.

Adjournment. Chairman Dukes adjourned the meeting at 8:42 p.m.

ATTEST:

MATTHEW D. DUKES II, Chairman

SARA HANCOCK, Secretary



Public Works Administration
Vaughn Sullivan, Director
vsullivan@midwestcityok.org
R. Paul Streets, Assistant Director
rstreets@midwestcityok.org
8730 S.E. 15th Street,
Midwest City, Oklahoma 73110
O: 405-739-1060 /Fax: 405-739-1090

Memo

To: Honorable Chairman and Trustees
Midwest City Municipal Authority

From: **R. Paul Streets, Assistant Public Works Director**

Date: February 14, 2017

Subject: Discussion and consideration of awarding a bid and entering into a contract to refurbished four (4), six (6) and eight (8) Yard New Front Load Refuse Containers from MCS Heartland LLC.

On Tuesday, January 31st, 2017 at 2:00 p.m., bids were opened for refurbished front load refuse containers. Bids were submitted by MCS Heartland LLC and Custom Manufacturing. MCS Heartland LLC submitted the lowest and best bid, and as such, we recommend awarding them the bid for refurbished four (4), six (6), and eight (8) yard front load refuse containers.

Funds to purchase these new containers are available in the Sanitation Capital Outlay Account.

Staff recommends approval.

R. Paul Streets
Assistant Public Works Director

Bid Tab 1/31/17 Four, Six & Eight Yard Refurbished Front Load Containers

Description:

MCS Heartland LLC	4 Yard	6 Yard	8 Yard
Replace Floor w/3 Skid Channels	\$125.00	\$150.00	\$150.00
Replace Plastic Lid	\$10.00	\$10.00	\$10.00
Replace Fork Pockets (per pocket)	\$72.00	\$72.00	\$72.00
Repair Fork Pockets (per pocket)	\$10.00	\$10.00	\$10.00
Replace Bump Plate	\$24.00	\$24.00	\$24.00
Repair Bump Plate	\$10.00	\$10.00	\$10.00
Replace Hinge Pin & Cotter Keys	\$10.00	\$10.00	\$10.00
Replace Warning Sign	Inc. in paint cost	Inc. in paint cost	Inc. in paint cost
Replace Drain Plug	N/C	N/C	N/C
Replace Drain Coupling	\$24.00	\$24.00	\$24.00
Repair Drain Coupling	\$30.00	\$35.00	\$40.00
Paint Midwest City Green	\$30.00	\$35.00	\$40.00
Replace Plastic Sliding Side Door	\$10.00	\$10.00	\$10.00
Replace Casters	5.00ea	5.00ea	5.00ea
Repair Casters	5.00ea	5.00ea	5.00ea
Replace Lock Bar	\$20.00	\$20.00	\$20.00
Repair Lock Bar	\$20.00	\$20.00	\$20.00

Custom Manufacturing Inc

Replace Floor w/3 Skid Channels	\$225.00	\$265.00	\$315.00
Replace Plastic Lid	\$50.00	\$62.00	\$62.00
Replace Fork Pockets (per pocket)	\$21.00	\$21.00	\$21.00
Repair Fork Pockets (per pocket)	\$10.00	\$10.00	\$10.00
Replace Bump Plate	\$20.00	\$20.00	\$20.00
Repair Bump Plate	\$9.00	\$9.00	\$9.00
Replace Hinge Pin & Cotter Keys	\$13.65	\$13.65	\$13.65
Replace Warning Sign	\$55.00	\$55.00	\$55.00
Replace Drain Plug	\$9.00	\$9.00	\$9.00
Replace Drain Coupling	\$8.25	\$8.25	\$8.25
Repair Drain Coupling	\$8.25	\$8.25	\$8.25
Paint Midwest City Green	\$150.00	\$175.00	\$210.00
Replace Plastic Sliding Side Door	\$30.00(per door)	\$30.00(per door)	\$30.00(per door)
Replace Casters	\$120.00	\$120.00	\$120.00
Repair Casters	N/A	N/A	N/A
Replace Lock Bar	\$75.00	\$75.00	\$75.00
Repair Lock Bar	N/A	N/A	N/A

Freight Cost \$28.50 per container

NOTICE TO BIDDERS

Notice is given that the Midwest City Municipal Authority, a public trust, will receive sealed bids in the office of the Secretary, Midwest City Municipal Center, 100 N. Midwest Boulevard, Midwest City, Oklahoma, until 2:00p.m., Tuesday the 31st day of January, 2017, for:

Four, Six & Eight Yard Refurbished Front Load Refuse Containers

Any bids received more than ninety-six (96) hours, excluding Saturdays, Sundays, and holidays, before the time set for opening of bids, as well as bids received after 2:00 p.m. on the above date will be returned unopened. Bids shall be made in accordance with the bid documents, all of which are on file and available for public examination at the Office of the Secretary in the Midwest City Municipal Center. Complete sets of bid documents may be obtained from the City of Midwest City, Public Works Administration, 8730 SE 15th, Midwest City, Oklahoma 73110.

Bids filed with the Secretary shall be opened publicly and read aloud in the City Council Chambers at the time stated above or later. All bids shall be considered by the Chairman and Trustees of the Municipal Authority prior to the contract being awarded. The Municipal Authority shall consider award of the bid at or after 7:00 pm on **February 14th, 2017**, to the lowest and best bidder meeting specifications. The Municipal Authority may lay the same over to a subsequent meeting for comparison and computation.

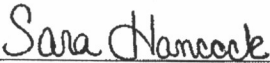
The bidder shall use the Municipal Authority bid documents only and all forms must be signed and notarized/attested. The bidder shall file his/her bid in a sealed envelope. Each envelope shall bear a legible notation thereon that it is a bid upon the item proposed. The bid shall be filed with the Secretary in the City Clerk's office. All bids shall be typewritten or in ink.

The specifications are complete as written. No oral representations made by any agent or employee of the Municipal Authority or its affiliate agencies shall be of any force or effect unless reduced to writing and submitted to all prospective bidders at least 24 hours in advance of the bid opening.

Any protest of the award of this proposed contract shall be in writing, shall specify the grounds for the protest in specific terms and shall be received by the Midwest City Municipal Authority within three (3) business days after the award of the contract by the governing body. The governing body reserves the right to review all bids and make the award to the lowest and best bidder. All other provisions of the specifications shall also apply.

Additional information may be obtained from the City of Midwest City, Public Works Department, **Donna Akin, Office Manager, 8730 SE 15th, Midwest City, Oklahoma 73110 (405) 739-1064.**

The Chairman and Trustees of the Midwest City Municipal Authority reserves the right to reject any or all bids.



Sara Hancock, Secretary
Midwest City Municipal Authority

Invitation for Sealed Bids

MIDWEST CITY MUNICIPAL AUTHORITY

100 N. MIDWEST BLVD.
MIDWEST CITY, OKLAHOMA 73110

Write legibly in ink or use typewriter.

Published In
The Journal Record

Dates Advertised
January 10, 2017
January 17, 2017

Bids must be in the Office of the Secretary By:
Tuesday, January 31, 2017 no later than 2:00 p.m.

IMPORTANT: Bid envelope must indicate bid item enclosed and date of bid opening.

Description	4 Yard	6 Yard	8 Yard
Replace Floor w/3 Skid Channels	125.00	150.00	150.00
Replace Plastic Lid	10.00	10.00	10.00
Replace Fork Pockets (Per Pocket)	72.00	72.00	72.00
Repair Fork Pockets (Per Pocket)	20.00	20.00	20.00
Replace Bump Plate	24.00	24.00	24.00
Repair Bump Plate	10.00	10.00	10.00
Replace Hinge Pin & Cotter Keys	10.00	10.00	10.00
Replace Warning Sign	APL. 50 PAINT	APL. 50 PAINT	APL. 50 PAINT
Replace Drain Plug	N/L	N/L	N/L
Replace Drain Coupling	24.00	24.00	24.00
Repair Drain Coupling	20.00	20.00	20.00
Paint Midwest City Green	30.00	35.00	40.00
Replace Plastic Sliding Side Door	10.00	10.00	10.00
Replace Casters	5.00 EA	5.00 EA	5.00 EA
Repair Casters	5.00 EA	5.00 EA	5.00 EA
Replace Lock Bar	20.00	20.00	20.00
Repair Lock Bar	20.00	20.00	20.00

THE MIDWEST CITY MUNICIPAL AUTHORITY IS EXEMPT FROM PAYMENT OF OKLAHOMA SALES TAX AND FEDERAL EXCISE TAX.

I have examined the specifications and agree, provided I am awarded a contract within thirty (30) days from the date fixed for opening bids, to provide the above described items for the sum shown, in accordance with the terms and conditions attached to this sheet as "Agreement By Bidder."

DELIVERY WILL BE MADE IN 7 DAYS OR LESS FROM DATE OF ORDER. DATED THIS 30th DAY OF JANUARY, 2017.

FIRM MCS HEARTLANDS LLC BY ROBERT M. DEARY

ADDRESS P.O. Box 331 PREMDPT TITLE VP.
OK. 73078

Accepted by the MIDWEST CITY MUNICIPAL AUTHORITY this _____ day of _____, 2017.

MATTHEW D. DUKES, II, Chairman

SARA HANCOCK, Secretary

Approved as to form this _____ day of _____, 2017.

PHILIP ANDERSON, City Attorney

REFURBISHED FRONT LOAD REFUSE CONTAINER BID SPECIFICATIONS

GENERAL

The prospective bidder shall submit a bid to refurbish front load refuse containers, also known as dumpsters. It is the intent that the successful bidder will either pick up and repair offsite or repair onsite at the Midwest City Public Works location, 8730 Southeast 15th Street and restore them to new or like-new condition. **If bidder chooses to repair onsite, proof of liability insurance must be submitted with bid.** The area that will be designated for use to perform the work will be made available during normal business hours (8:00 AM to 5:00 PM). Every effort must be made to prevent or alleviate all fire risks and leave access for work traffic. An enclosed space, accessible by overhead garage door, will be made available for the purposes of painting the dumpsters. **Inspecting this space should be done before providing any bid.** Billing will be based on actual, agreed upon, scope of repair for each container and said container will be given an inventory control number upon completion.

SCOPE

This specification covers steel front load refuse containers with lids made of plastic, suitable for use with front loading compaction type refuse collection trucks. All containers shall meet or exceed the following specifications. Equipment shall be refurbished to a "like new" condition. Prices shall be quoted FOB 8730 Southeast 15th Street, Midwest City, Oklahoma, 73110 by unit price and shall reflect any applicable discounts for volume purchases or five percent change in the cost of steel. It is the intent of the Authority for this contract to expire February 13, 2022. Upon agreement by bidder and the Authority, the contract may be extended annually under the same terms and conditions. The bidder and or the Authority shall have the option of terminating the contract by giving at least sixty (60) days notice of intent to cancel. This notice may be given at any time during the contract period.

DESCRIPTION

1. Four (4) cubic yard, slant front, front load containers with plastic lids.
2. Six (6) cubic yard, low, one door, front load containers with plastic lids.
3. Eight (8) cubic yard, high, front load containers, one door, with plastic lids.

When factory-printed literature, submitted to support the bid, does not indicate compliance with the specifications, the vendor must notify, in writing, the suggested modifications. This information must be submitted at the bid opening as a part of the vendor's bid. Bidder must state make and model number of the unit being offered. Bids submitted shall concern the latest current model equipment available.

MATERIAL

All material shall be of standard grades, regularly used by container manufacturers for standard commercial containers.

Specifications
Front Load Containers
Page 2

DESIGN

1. The containers shall be completely compatible with the container hoisting devices of the refuse collection trucks in use by the City of Midwest City.
2. A drain hole not less than 1-1/2" in diameter nominal pipe size, fitted with a treated plug, shall be provided at the bottom of one end side wall of each container.
3. Lift Pockets, Gussets, and Blunderbuss must be constructed from a minimum of 7 gauge steel.
4. Floor support must have three 3 inch structural channels
5. All inside seams are to be welded continuously
6. The primer thickness on the inside and outside of the container must be Oxide primer or equivalent, measuring at least 1.5 mils in depth.
7. Finished exterior must be a "emsco green Enamel" and measure at least 1.5 mils in depth.

In addition to other requirements specified herein, requirements for metal bodies, lids and doors shall be as follows, with plastic bodies of comparable strength;

					(side	Door)
Capacity	Length	Height	Thickness	Side	Width	End
4 cubic yd.	54 inches	48 inches	10 gauge	10 gauge	n/a	n/a
6 cubic yd.	66 inches	60 inches	10 gauge	12 gauge	30 inches X	30 inches
8 cubic yd.	66 inches	80 inches	10 gauge	12 gauge	30 inches X	30 inches

NOTES: (1) thickness of metal shall be determined from a cleaned, bare sheet without rust, scale, or paint coating. (2) Dimension is measured from the approach side to the opposite side. (3) All container widths must be 72 inches.

CONSTRUCTION

Metal containers shall be constructed in accordance with the following requirements. Plastic containers should meet factory standards for strength and durability meeting or exceeding the following requirements.

HOISTING ATTACHMENTS

The container shall have hoisting attachments suitably located on each end wall and designed to accommodate the lifting forks of a two-point container hoisting device. The container shall be of boxed sleeve construction, sleeves shall be no more than 38.5 inches in length. All hoisting attachments shall be designed, reinforced, braced, and welded to withstand a pull of not less than 4,000 pounds and accommodate forks 43 inches in length.

TOP LIDS

Unless otherwise specified, all containers shall have top lids. All four (4) yard lids shall have a positive lid hold back, allowing the lids to be locked in an open position slightly past perpendicular and a device for preventing the lids from falling on back over away from the open position. The four (4) yard lids shall be provided with a handle suitably

located for manually opening and closing of the lid. The lid of each container shall have a hinge shaft of no less than one (1) inch outside diameter.

Specifications

Front Load Containers

Page 3

FLOOR SKIDS

Floor skids full length three inch x four inch x three-sixteenths inch (3" x 4" x 3/16") formed channel with both ends fully enclosed. Three (3) skids must be repaired or installed on any or all four (4) yard containers, six (6) yard and eight (8) yard containers.

CASTERS

Castors must be six (6) inches in diameter and made of non-metallic material. Two (2) must be stationary and two (2) must swivel.

DRAIN PLUG

Drain plug – one and one-half (1 ½) inch threaded flange welded to side of container flush with bottom.

SIDE DOORS

End doors on the six (6) and eight (8) yard container shall not be less than twelve (12) gauge thickness. The doors shall slide in upper and lower "C" channel tracks and be equipped with a stop-handle of sufficient size to allow the door to be opened from inside the container and also to act as a retainer to keep the sliding door from coming out of its guide track.

REINFORCEMENTS

1. All refuse containers shall be fully reinforced to withstand stresses from heavy loading and rough usage and provide rigidity to resist buckling.
2. All lift brackets shall be reinforced with two (2) gussets at the top on each end and two (2) at the bottom on each end. Each gusset shall be not less than three-sixteenths (3/16) inch thickness and welded solid at least one (1) side at both its contact points.
3. All lift brackets are to have an opening of not less than three and seven-eighths (3-7/8) inches. Vertically, this dimension should not be less than nine (9) inches. The bottom of the lift bracket should not be less than sixteen and one-half (16-1/2) inches from the ground. This is a must for the four (4) and six (6) yard containers. The eight (8) yard container should not be less than twenty-six (26) inches concerning the same dimension.
4. All containers shall be fitted with two (2) wraparound type bumper plates of no less than one-fourth (1/4) inch thickness and with a bearing surface each of three (3) inches on the approach wall and three (3) inches on the side wall. Each pad shall be of at least sixteen (16) inches in length.
5. The front of the container shall have a boxed reinforcement running from side to side and capped on the ends. The reinforcement shall be not less than ten (10) gauge thickness and have no less than three (3) bends. This reinforcement shall also be used on the hinge side of the container.

Specifications

Front Load Containers

Page 4

6. The six (6) and eight (8) yard containers shall have the same reinforcement at the top as they four (4) yard containers with the exception that the side wall, to which the large lid hinges affix, shall have a two x two x one-fourth (2 x 2 x 1/4) inch structural angle full width of the container.
7. The six(6) and eight (8) yard containers shall have a one-fourth x one and one-fourth x one and one-fourth (1/4 x 1-1/4 x 1-1/4) inch angle underneath the doors running from the pickup wall to the back wall of the container.
8. The six (6) and eight (8) yard container shall have a V-type corrugation in the pickup wall and one in the wall opposite the pickup wall running vertically, this corrugation shall be located in the center of the container and shall be a minimum of one and one-half (1-1/2) inches in depth.

TREATMENT AND PAINT

Metal containers shall be cleaned of all weld splatter, smut, oil, excessive rust and given a light washing in preparation for painting. Container should be painted inside and outside with an industrial enamel – “emsco green” in color.

WARNING SIGNS

A warning sign measuring four and one-half x five (4-1/2 x 5) inches with distinctive white letters on a red background shall be permanently affixed to the outside of the container opposite the pickup wall. The sign shall read as follows: “WARNING STAY CLEAR AT ALL TIMES WHEN CONTAINER IS OFF THE GROUND”. “WARNING” shall be Gothic type not less than seven-eighths (7/8) inches in height and “STAY CLEAR AT ALL TIMES WHEN CONTAINER IS OFF GROUND” shall be in Gothic type no less than three-eighths (3/8) inches in height.

IDENTIFICATION MARKING

Each container shall have identification markings affixed as prescribed or required by the Midwest City Sanitation Supervisor or Commercial Route Coordinator, displaying a unique identification number.

WELDING

Welding of the metal container shall be done by certified welders only. Metal containers are to be welded solid inside and waterproof up to the first opening, which may be the lid or side door.

Specifications
Front Load Containers
Page 5

<u>DESCRIPTION</u>	<u>4 YARD</u>	<u>6 YARD</u>	<u>8 YARD</u>
Replace Floor w/3 Skid Channels	\$ <u>175.⁰⁰</u>	\$ <u>156.⁰⁰</u>	\$ <u>150.⁰⁰</u>
Replace Plastic Lid	\$ <u>10.⁰⁰</u>	\$ <u>10.⁰⁰</u>	\$ <u>10.⁰⁰</u>
Replace Fork Pockets (Per Pocket)	\$ <u>72.⁰⁰</u>	\$ <u>72.⁰⁰</u>	\$ <u>72.⁰⁰</u>
Repair Fork Pockets (Per Pocket)	\$ <u>20.⁰⁰</u>	\$ <u>10.⁰⁰</u>	\$ <u>10.⁰⁰</u>
Replace Bump Plate	\$ <u>24.⁰⁰</u>	\$ <u>24.⁰⁰</u>	\$ <u>24.⁰⁰</u>
Repair Bump Plate	\$ <u>10.⁰⁰</u>	\$ <u>10.⁰⁰</u>	\$ <u>10.⁰⁰</u>
Replace Hinge Pin & Cotter Keys	\$ <u>10.⁰⁰</u>	\$ <u>10.⁰⁰</u>	\$ <u>10.⁰⁰</u>
Replace Warning Sign	\$ <u>^{INCL. IN PAINT COST}</u>	\$ <u>^{INCL. IN PAINT COST}</u>	\$ <u>^{INCL. IN PAINT COST}</u>
Replace Drain Plug	\$ <u>N/L</u>	\$ <u>N/L</u>	\$ <u>N/L</u>
Replace Drain Coupling	\$ <u>24.⁰⁰</u>	\$ <u>24.⁰⁰</u>	\$ <u>24.⁰⁰</u>
Repair Drain Coupling	\$ <u>30.⁰⁰</u>	\$ <u>35.⁰⁰</u>	\$ <u>40.⁰⁰</u>
Paint Midwest City Green	\$ <u>30.⁰⁰</u>	\$ <u>35.⁰⁰</u>	\$ <u>40.⁰⁰</u>
Replace Plastic Sliding Side Door	\$ <u>10.⁰⁰</u>	\$ <u>10.⁰⁰</u>	\$ <u>10.⁰⁰</u>
Replace Casters	\$ <u>5.⁰⁰ ea</u>	\$ <u>5.⁰⁰ ea</u>	\$ <u>5.⁰⁰ ea</u>
Repair Casters	\$ <u>5.⁰⁰ ea</u>	\$ <u>5.⁰⁰ ea</u>	\$ <u>5.⁰⁰ ea</u>
Replace Lock Bar	\$ <u>20.⁰⁰</u>	\$ <u>20.⁰⁰</u>	\$ <u>20.⁰⁰</u>
Repair Lock Bar	\$ <u>20.⁰⁰</u>	\$ <u>20.⁰⁰</u>	\$ <u>20.⁰⁰</u>

For any questions concerning this bid please contact Donna Akin at (405) 739-1064 or Jerry Summers at (405) 739-1075.

Vendor Name: MCS HEARTLANDS LLC
 Contact: ROBERT DESLY
 Address: PO BOX 331
PREDMONT, OK. 73078
 Phone: 580.914.1780
 Email: CONTACT@MCSBHB.HOTMAIL.COM

NON COLLUSION AFFIDAVIT

STATE OF OKLAHOMA)

SS.

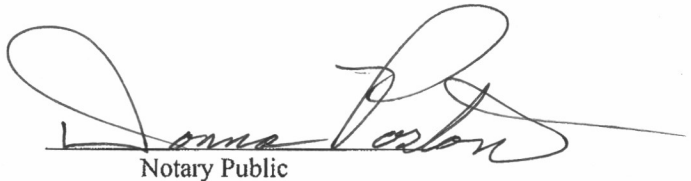
COUNTY OF PIEDMONT)
Canadian

ROBERT M. DEELY, of lawful age, being first duly sworn, on oath says that (s) he is the agent authorized by the bidder to submit the attached bid. Affiant further states that the bidder has not been a party to any collusion among bidders in restraint of freedom of competition by agreement to bid at a fixed price or to refrain from bidding; or with any City or Municipal Authority official or employee as to quantity, quality, or price in the prospective contract, or any other prospective contract; or in any discussions between bidders and any City or Municipal Authority official concerning exchange of money or other things of value for special consideration in the letting of the prospective contract.



Subscribed and sworn to before me this 30th day of

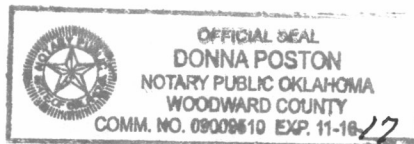
January, 2017



Notary Public

My Commission Expires:

11-16-17



AGREEMENT BY BIDDER

THESE TERMS APPLY TO AND BECOME PART OF THE TERMS AND CONDITIONS OF BID. ANY EXCEPTION MUST BE IN WRITING.

1. Bids must be submitted on the attached form only. Each bid must be placed in a separate envelope. Each envelope must be completely and properly identified and sealed, showing the date of bid opening and the subject advertised.
2. The Midwest City Municipal Authority reserves the right to reject any and all bids, to waive any technicalities in the bidding, and to award each item to different bidders or all items to a single bidder.
3. No bidder may withdraw his bid within a period of thirty (30) days after the date and hour set for the opening of bids. A bidder may withdraw his bid at any time prior to the time fixed for the opening of bids.
4. All bids must be accompanied by bidder's bond or cashier's check in the amount shown on the Invitation for Sealed Bids form when required by the Midwest City Municipal Authority. This amount may be retained by the Midwest City Municipal Authority as liquidated damages in the event the successful bidder (or bidders) fails to comply with the terms of this bid. The Secretary will return the deposits to the unsuccessful bidders after the contract has been awarded.
5. All prices shall be quoted F.O.B. Midwest City, Oklahoma, and delivery to Midwest City Municipal Authority location shall be without additional charges unless otherwise stated in specifications.
6. The bidder shall attach the manufacturer's name of the equipment or materials to be furnished, type, model numbers, manufacturer's descriptive bulletins and specifications. All guarantees and warranties must be clearly stated. This data shall be in sufficient detail to describe accurately the equipment or material to be furnished. Manufacturer's specifications in respect to the successful bidder shall be considered as part of his contract with the Midwest City Municipal Authority.
7. The bidder shall show in the bid both the unit prices and total amount, where required, of each item listed. In the event of error or discrepancy in the mathematics, the unit prices shall prevail.
8. Any exceptions to these items or conditions or deviations from written specifications shall be shown in writing and attached to the bid form.
9. In the event cash discounts are offered by the bidder, the discount date should begin with the date of invoice or the date of receipt of all material covered by the purchase order.
10. The bidder's attention is directed to the fact that the purchase of certain items of equipment or material by the Midwest City Municipal Authority is exempt from Federal Excise Tax. In such cases the bidder shall quote prices which do not include Federal Excise Tax. The Midwest City Municipal Authority will execute exemption certificates upon presentation by the bidder at the time of purchase.
11. Information to bidders and specifications are on file in the office of the Secretary and copies may be obtained from the Municipal Building, 100 N. Midwest Blvd., Midwest City, Oklahoma.
12. Bids must show number of days required for delivery under normal conditions. Failure to state delivery time obligates bidder to complete delivery in fourteen (14) calendar days. Unrealistically short or long delivery promises may cause bid to be disregarded. Bidder must keep Purchase Department advised at all times of status of order. Default in promised delivery or failure to meet specifications authorizes the Midwest City Municipal Authority to purchase bid items elsewhere and charge full increase of cost and handling to defaulting contractor. Consistent failure to meet delivery promises without valid reason may cause removal from bid list.
13. Bidder agrees to defend and save the Midwest City Municipal Authority harmless from and against all demands, claims, suits, costs expenses, damages and judgments based upon infringement of any patent relating to goods specified in this order or the ordinary use or operation of such goods by the City or use or operation of such goods in accordance with bidder's direction.
14. Bidder may bid on one or all items but bids may not be tied together unless specifically stated in specifications.
15. The specifications are complete as written. No oral representation made by any agent or employee of the Municipal Authority, or its affiliate agencies, shall be of any force or effect unless reduced to writing and submitted to all prospective bidders at least 24 hours in advance of the bid opening.
16. Any protest of the award of this proposed contract by a bidder on the contract shall be in writing, shall specify the grounds for the protest in specific terms and shall be received by the Municipal Authority within three (3) business days after the award of the contract by the governing body. All other provisions of these specifications shall also apply.
17. Each bidder when affixing his signature to the "Invitation for Sealed Bids" states that he has not, directly or indirectly, entered into any agreement, express or implied, with any other bidder or bidders, having for its object the controlling of the price, or amount of such bids, the limiting of the bids of bidders or the paying to any one any money for promotion expenses. the parceling or farming out to any bidder or bidders or other persons of any part of the contract or any part of the subject matter of the bid or the profits thereof.

No bidder shall divulge the information in his sealed bid to any person whomsoever, except those having a partnership or other financial interest with him in said bid, until after the sealed bids are opened.

A violation of any one of the foregoing provisions on the part of a bidder shall be sufficient reason for the rejection of his bid or making void any contract made by him with the City based upon such bid.



Public Works Administration
Vaughn Sullivan, Director
vsullivan@midwestcityok.org
R. Paul Streets, Assistant Director
rstreets@midwestcityok.org
8730 S.E. 15th Street,
Midwest City, Oklahoma 73110
O: 405-739-1060 /Fax: 405-739-1090

Memorandum

TO: Honorable Chairman and Trustees, Midwest City Municipal Authority

FROM: Vaughn K. Sullivan, Public Works Director

DATE: February 14, 2017

SUBJECT: Discussion and consideration of declaring one (1) 2008 Jacobsen 522 mower, serial #BAA! 6808201887, one (1) 2003 Ezgo Workhorse model 1200 c-203, serial #1579744 from John Conrad Golf Course, and twelve (12) empty polymer totes from the Water Resource Recovery Facility surplus property and authorizing their disposal by sealed bid or auction.

The equipment listed has been removed from service. There are no other operational applications available within the City.

- (1) One (1) 2008 Jacobsen 522 mower, serial #BAA! 6808201887
- (2) One (1) 2003 Ezgo Workhorse model 1200 c-203, serial #1579744
- (3) Twelve (12) empty polymer totes

Staff recommends approval.

Vaughn K. Sullivan
Public Works Director



NEW BUSINESS/
PUBLIC DISCUSSION





HOSPITAL AUTHORITY
AGENDA





MIDWEST CITY MEMORIAL HOSPITAL AUTHORITY AGENDA



City Hall, Midwest City Council Chambers, 100 N. Midwest Boulevard

February 14, 2017 - 7:02 PM

- A. CALL TO ORDER.
- B. DISCUSSION ITEMS.
 - 1. Discussion and consideration of approving the minutes of the staff briefing and regular meeting of January 24, 2017, as submitted. (Secretary - S. Hancock)
 - 2. Discussion and consideration of approval of 1) Landlord Estopped Certificate; 2) Ratification by Hospital Authority and; 3) the First Amendment to Mortgage, Security Agreement and Financing Statement; and 4) Lien and Possession Affidavits pertaining to the financing for Sooner Town Center II. (City Manager - G. Henson)
 - 3. Discussion and consideration of action to reallocate assets, change fund managers or make changes in the Statement of Investment Policy, Guidelines and Objectives. (Secretary - S. Hancock)
- C. NEW BUSINESS/PUBLIC DISCUSSION.
- D. FURTHER INFORMATION.
 - 1. Discussion and consideration following the Midwest City Memorial Hospital Authority Trust Board of Grantors' recommendation for approval and authorizing distribution of the following grant awards totaling \$450,000.00 for the 2015-16 fiscal year: \$209,956 to the MWC Chamber of Commerce for "MWC/Tinker 75th Anniversaries"; \$75,000 to Friends of the OK History Center for "MWC Historic C-47 Exhibit"; \$25,000 to Divine Wisdom Worship Center for one van; \$21,304 to Mid-Del Public Schools for a John Deer Gator; \$20,000 to MWC Parks & Rec. for "Shuttle Golf Cars"; \$18,500 to MWC Community Development for "Changeable Message Sign"; \$16,000 to MWC Park & Rec. for "Mid-America Park Master Plan Proposal"; \$15,000 to Rose State College Foundation, Inc. for "MWC Heritage Day"; \$10,000 to MWC Kiwanis Club for "Light the Park"; \$10,000 to MWC Park & Rec. for "Blue lights for Lions Park"; \$10,000 to The Eden Clinic, Inc. for "Pregnancy and Wellness"; \$9,450 to Rose State College for "OK Business Conference"; and \$9,790 to the MWC Fire Department for "Equipment upgrades" from the current application, along with granting them permission to change the use of the \$50,210 from their previous year grant funds to be used at their discretion per the identified items in their attached memo. (City Manager - G. Henson)
- E. ADJOURNMENT.



DISCUSSION ITEMS



Notice of regular meetings for staff briefings for the Midwest City Memorial Hospital Authority was filed for the calendar year with the City Clerk of Midwest City and copies of the agenda for this meeting were posted at City Hall and on the City of Midwest City's website, accessible to the public for at least 24 hours in advance of the meeting.

**MINUTES OF THE REGULAR STAFF BRIEFING FOR
MIDWEST CITY MEMORIAL HOSPITAL AUTHORITY**

January 24, 2017 – 6:00 p.m.

This regular meeting was held in the Midwest City Council Conference Room on the second floor of City Hall, 100 N. Midwest Boulevard, Midwest City, County of Oklahoma, State of Oklahoma. The following members were present: Chairman Matt Dukes; Trustees Susan Eads, Pat Byrne, Rick Dawkins, Sean Reed, Christine Allen, and Jeff Moore; and Secretary Sara Hancock. Absent: none.

Chairman Dukes called the meeting to order at 7:00 p.m.

Clarification of agenda items, handouts, and presentation of new or additional information for items on the Hospital Authority agenda for January 24, 2017. The Trustees had no questions regarding the individual agenda items.

Chairman Dukes closed the meeting at 7:01 p.m.

ATTEST:

MATTHEW D. DUKES, II, Chairman

SARA HANCOCK, Secretary

Notice of regular Midwest City Memorial Hospital Authority meetings was filed for the calendar year with the City Clerk of Midwest City and copies of the agenda for this meeting were posted at City Hall and on the City of Midwest City's website, accessible to the public for at least 24 hours in advance of the meeting.

**MINUTES OF THE REGULAR MIDWEST CITY
MEMORIAL HOSPITAL AUTHORITY MEETING**

January 24, 2017 - 7:02 p.m.

This regular meeting was held in the Midwest City Council Chambers, 100 North Midwest Boulevard, Midwest City, County of Oklahoma, State of Oklahoma. The following members were present: Chairman Matt Dukes; Trustees Susan Eads, Pat Byrne, Rick Dawkins, Sean Reed, Christine Allen, and Jeff Moore; and Secretary Sara Hancock. Absent: none.

Chairman Dukes called the meeting to order at 8:43 p.m.

Consent Agenda. Motion was made by Dawkins, seconded by Byrne, to approve the Consent Agenda, as submitted.

1. Discussion and consideration of approving the minutes of the staff briefing and regular meeting of January 10, 2017, as submitted.
2. Discussion and consideration of authorizing the rezoning of a portion of the Midwest City Memorial Hospital Authority's property located on SE 12th Street described as a tract of land lying in the Southwest Quarter (SW/4) of Section Four (4), Township Eleven (11) North, Range Two (2) West of the Indian Meridian, City of Midwest City, Oklahoma County, Oklahoma, and being more particularly described as follows: Commencing at the southwest corner of the said Southwest Quarter of Section 4; thence north along the West line of said Southwest Quarter, a distance of 1320 feet; thence east, parallel with the South line of said Southwest Quarter, a distance of 848.5 feet to the point of beginning ("POB"); thence continuing east, parallel with the south line of said Southwest Quarter, a distance of 330 feet; thence south, parallel with the west line of said Southwest Quarter, a distance of 660 feet; thence west parallel with the South line of said Southwest Quarter, a distance of 330 feet; thence north, parallel to the West line of said Southwest Quarter, a distance of 660 feet to the POB; LESS AND ACCEPT the northernmost 25.00 feet, which is reserved for Road purposes. (also known as 5800 SE 12th ST, 5812 SE 12th ST and 5820 SE 12th ST); and authorizing Robert Stearns to make the zoning amendment application for the described property and to take all actions necessary or appropriate to amend the zoning of the described property.

Voting aye: Eads, Byrne, Dawkins, Reed, Allen, Moore, and Chairman Dukes. Nay: none. Absent: none. Motion carried.

Discussion Item.

1. **Discussion and consideration of action to reallocate assets, change fund managers or make changes in the Statement of investment Policy, Guidelines and Objectives.** No action was taken.

New Business/Public Discussion. There was no new business or public discussion.

Executive Session.

- 1. Discussion and consideration of 1) entering into executive session, as allowed under 25 O.S. § 307(C)(10), to confer on matters pertaining to economic development, including the transfer of property, financing or the creation of a proposal to entice a business to remain or to locate within the City; and 2) in open session, authorizing the general manager/administrator to take action based on the discussion in executive session.**

Motion was made by Reed, seconded by Byrne, to go into executive session. The Council went into executive session at 8:44 p.m.

Mayor Dukes reconvened the meeting in open session at 10:22 p.m. Motion was made by Dawkins, seconded by Allen, to authorize the city manager to take action as appropriate based upon the discussion in executive session. Voting aye: Eads, Byrne, Dawkins, Reed, Allen, Moore, and Mayor Dukes. Nay: none. Absent: none. Motion carried.

Adjournment. There being no further business, Chairman Dukes adjourned the meeting at 10:23 p.m.

MATTHEW D. DUKES, II, Chairman

ATTEST:

SARA HANCOCK, Secretary



Midwest City Memorial Hospital Authority

100 North Midwest Boulevard
Midwest City, Oklahoma 73110
(405) 739-1204 FAX (405) 739-1208

J. Guy Henson
*General Manager/
Administrator*

Trustees

Matt Dukes
Susan Eads
Pat Byrne
Rick Dawkins
Sean Reed
Christine Allen
Jeff Moore

Board of Grantors

Sherry Beard
John Cauffiel
Marcia Conner
Pam Dimski
Dara McGlamery
Joyce Jackson
Charles McDade
Nancy Rice
Sheila Rose

MEMORANDUM

TO: Honorable Chairman and Trustees
Midwest City Memorial Hospital Authority

FROM: Guy Henson, General Manager/Administrator

DATE: February 14, 2017

SUBJECT: Discussion and consideration of approval of 1) Landlord Estopped Certificate; 2) Ratification by Hospital Authority and; 3) the First Amendment to Mortgage, Security Agreement and Financing Statement; and 4) Lien and Possession Affidavits pertaining to the financing for Sooner Town Center II.

Please see attached letter from the Sooner Investment Group requesting the above actions. This financing pertains to that part of the Town Center Project known as Sooner Town Center II (STC II), which encompasses the Dick's Sporting Goods, Office Depot, and McAlister's. This part of the Town Center Project was implemented in a manner similar to the balance of the project.

The Hospital Authority and Sooner Town Center provided the land and leased said land to STC II, which in turn financed and built the buildings and leased said buildings to the aforementioned tenants. Net income from the lease proceeds are equally divided between the parties. Approval of these actions will allow STC II to no longer be required to provide personal guarantees on the loan, which was required by First National Bank on the original loan, to secure a fixed interest rate to be determined in five year increments, and extend the note period from 2018 to 2038. The interest rate has increased from 3% over LIBOR to 3.5% in excess of treasury rate. Lastly, having this loan in place may be beneficial when it comes time to refinance the Town Center Project later this calendar year.

I have attached the documents referred to in the agenda item as well as the original Loan Agreement and First Amendment to Loan Agreement.

Representatives from the Sooner Group will be available at the meetings to answer any questions.

J. Guy Henson, AICP
General Manager/Administrator

**SOONER TOWN CENTER II, LLC
C/O COLLETT
1111 METROPOLITAN AVE, SUITE 700
CHARLOTTE, NC 20204**

**MIDWEST CITY MEMORIAL HOSPITAL AUTHORITY
100 NORTH MIDWEST BOULEVARD
MIDWEST CITY, OK 73110
ATTN: MR GUY HENSON**

February 9, 2017

RE PROJECT LOAN MODIFICATION

DEAR MR HENSON:

Please consider this notification of our intent to modify the existing project loan in accordance with Section 8.1 of the Westside General Ground Lease. The loan modification accomplishes the following-

- Extension of the loan term through 2038 (currently 9/10/18)
- Conversion to fixed rate, initially 5.44% (adjusting every five years to the 5YT index)
- Elimination of developer guaranties (lender agreed to this when the project stabilized)
- Loan principal amortization is based upon twenty-two years
- The loan can be paid in full at anytime

To complete the modification the Hospital Authority is requested to execute the following documents-

1. First Amendment to Loan Agreement
2. First Amendment to Mortgage, Security Agreement and Financing Statement
3. Landlord Estoppel Certificate
4. Lien Affidavit and Indemnity from First American
5. Possession Affidavit from First American

We feel that the modification adds stability to the project by conversion to a fixed interest rate and extension of the loan maturity by 20 years. Note also that First National Bank of Midwest City is providing this financing.

Please let us know if you have questions or need additional information. Thanks for your assistance.

Sincerely:



Robert Collett
Manager

Landlord Estoppel Certificate

TO: FNB Community Bank

RE: Sooner Town Center II, L.L.C.

Ladies and Gentlemen:

The undersigned hereby states that as of the present date:

1. It is a party to that certain Westside General Ground Lease dated as of June 1, 2012 (the "Lease") between the undersigned as Lessor and Sooner Town Center II, L.L.C., an Oklahoma limited liability company, as Lessee. The original term of the Lease is fifty (50) years commencing July 1, 2012 and expiring October 31, 2062.
2. The undersigned has not sent any notice of default to Lessee under the Lease which default has not been cured, and to the best of the undersigned's knowledge, no default, nor any matter which with the passage of time would constitute a default, exists.
3. The Lease is in full force and effect and has not been amended or modified by any written instrument between the undersigned and Lessee.
4. As of the date hereof, the current Annual Lease Payment is \$1.00, and Participation Rent, if any is due, shall be payable annually in arrears on the 15th day of each January. As of the date of this Certificate, Lessee is current on the payment of the Annual Lease Payment, Lessee owes the undersigned \$78,355.00 in Participation Rent for 2016, and Lessee is current on the payment of all other charges to be paid by Lessee under the Lease.
5. Capitalized terms used in this Certificate which are not otherwise defined shall have the same meanings as set forth in the Lease.

EXECUTED effective the 10th day of February, 2017.

Very truly yours,

MIDWEST CITY MEMORIAL HOSPITAL
AUTHORITY

By: _____
Matthew D. Dukes II, Chairman

Return recorded instrument to:
Phillips Murrah P.C.
Corporate Tower, Thirteenth Floor
101 N. Robinson
Oklahoma City, Oklahoma 73102
Attention: J. Mark Lovelace

**FIRST AMENDMENT TO MORTGAGE,
SECURITY AGREEMENT AND FINANCING STATEMENT**

A POWER OF SALE HAS BEEN GRANTED IN THIS MORTGAGE. A POWER OF SALE MAY ALLOW MORTGAGEE TO TAKE THE MORTGAGED PROPERTY AND SELL IT WITHOUT GOING TO COURT IN A FORECLOSURE ACTION UPON DEFAULT BY MORTGAGOR UNDER THIS MORTGAGE.

THIS FIRST AMENDMENT TO MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT (this "Amendment") is made as of the 10th day of February, 2017, between MIDWEST CITY MEMORIAL HOSPITAL AUTHORITY, a public trust (the "Grantor"), and FNB COMMUNITY BANK, an Oklahoma state banking corporation, formerly First National Bank, Midwest City, Oklahoma (the "Lender").

W I T N E S S E T H:

WHEREAS, the Grantor has heretofore and for the purpose of securing the payment of a loan in the maximum principal amount of \$9,136,970.00 (the "Loan") to Sooner Town Center II, L.L.C., an Oklahoma limited liability company (the "Borrower"), executed a certain Mortgage, Security Agreement and Financing Statement dated September 18, 2012 in favor of the Lender and recorded in Book 12034 at Page 1816 in the Records of Oklahoma County, Oklahoma (the "Mortgage"), which Mortgage covers the real property described on attached Exhibit "A", and the appurtenances, improvements and Collateral as described in the Mortgage (collectively, the "Mortgaged Premises"); and

WHEREAS, the Lender has agreed to grant the Borrower's request for an extension of the final maturity of the Loan.

NOW, THEREFORE, in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, the Grantor and Lender agree as follows:

1. The paragraph beginning "WHEREAS" on page 1 of the Mortgage is hereby deleted and amended and restated in its entirety as follows:

WHEREAS, pursuant to a Loan Agreement dated September 18, 2012 as amended by a First Amendment dated February 10, 2017, Sooner Town Center, L.L.C., an Oklahoma limited liability company (the "Borrower"), is justly indebted to the Lender in the sum of \$8,512,235.85 with interest thereon at a variable rate of interest according to the terms of an Amended and Restated Promissory Note of the Borrower dated February 10, 2017 (the "Note"), such Note having a maturity date of February 10, 2039, and being an amendment and restatement of a Promissory Note dated September 18, 2012 in the original principal amount of \$9,136,970.00.

2. Except as specifically amended by this instrument, the Mortgage shall continue in full force and effect according to the terms and conditions therein contained and the liens thereby created shall continue without abatement or interruption.

[signatures on following pages]

IN WITNESS WHEREOF, the Grantor and Lender have executed this Amendment as of the date first written above.

"GRANTOR":

MIDWEST CITY MEMORIAL HOSPITAL
AUTHORITY, a public trust

By: _____
Name: _____
Title: _____

STATE OF OKLAHOMA)
) SS.
COUNTY OF _____)

This instrument was acknowledged before me this _____ day of February, 2017, by _____, as _____ of Midwest City Memorial Hospital Authority, a public trust.

Notary Public, Commission No.: _____

My commission expires:

[SEAL]

"LENDER":

FNB COMMUNITY BANK, an Oklahoma state banking corporation, formerly First National Bank, Midwest City, Oklahoma

By: _____
Name: _____
Title: _____

STATE OF OKLAHOMA)
) SS.
COUNTY OF OKLAHOMA)

This instrument was acknowledged before me this _____ day of February, 2017, by _____, as _____ of FNB Community Bank, an Oklahoma state banking corporation, formerly First National Bank, Midwest City, Oklahoma.

Notary Public, Commission No.: _____

My commission expires:

[SEAL]

LIEN AFFIDAVIT AND INDEMNITY

STATE OF OKLAHOMA)

) SS:

COUNTY OF OKLAHOMA)

On this ____ day of February, 2017 before me, personally appeared Matthew D. Dukes II, Chairman of the Midwest City Memorial Hospital Authority, a public trust, to me personally known, who being duly sworn on her oath, did say that, all of the persons, firms and corporations who have furnished services, labor or materials on or before February _____, 2017 (the Effective Date), with respect to the premises hereinafter described, or the improvements located thereon, have been paid in full and that such work, if any, has been fully completed and accepted by the Borrower.

Affiant further says that, except as shown, no claims have been made to Midwest City Memorial Hospital Authority by, nor are any suit now pending on behalf of, any contractor, subcontractor, laborer or materialman, and further that no chattel mortgages or conditional bills of sale have been given or are now outstanding as to any materials, appliances, fixtures or furnishings placed upon or installed in the aforesaid premises.

Affiant makes this Affidavit for the purposes of inducing FIRST AMERICAN TITLE INSURANCE COMPANY, by and through its agent FIRST AMERICAN TITLE & TRUST COMPANY, to issue its Policy of Title Insurance (the Title Insurance Policy) to FNB COMMUNITY BANK pursuant to its Commitment No. 2176078 without exception to claims of mechanics, materialman and laborers, and in consideration thereof, Current Borrower does agree to indemnify and hold said title company harmless, except as to claims specifically listed above, of and from any and all loss, cost, damage and expense of every kind, including attorneys' fees, which the title company shall or may suffer or incur or become liable for under the provisions of the Title Insurance Policy arising from claims for labor performed upon or materials delivered to the aforesaid premises prior to the Effective Date. This indemnity shall apply to any title insurance policy now issued, or any reissue, renewal or extension thereof, or new policy at any time issued upon said real estate, part thereof or interest therein, arising, directly or indirectly, out of or on account of any such mechanics' or materialman's lien or liens or claim or claims or in connection with the enforcement by the title company of its rights under this agreement.

The real estate and improvements referred to herein are situated on Lot One (1) in Block One (1) of TOWN CENTER WEST to Midwest City, Oklahoma County, Oklahoma, according to the recorded plat thereof.

"Affiant"

"Indemnitor"

MIDWEST CITY MEMORIAL
HOSPITAL AUTHORITY, a public trust

By: _____
Matthew D. Dukes II, Mayor

By: _____
Matthew D. Dukes II, Chairman

Executed, subscribed and sworn to before me the day and year above written.

My Commission Number and Expiration:

Notary Public

POSSESSION AFFIDAVIT

STATE OF OKLAHOMA)
) SS.
COUNTY OF OKLAHOMA)

The undersigned, being first duly sworn, on oath states:

1. That the statements made herein pertain to real property and improvements thereon and legally described as Lot One (1) in Block One (1) of TOWN CENTER WEST to Midwest City, Oklahoma County, Oklahoma, according to the recorded plat thereof.
2. Affiant states that Midwest City Memorial Hospital Authority, a public trust, is the Owner of said property and warrants that it has the right to mortgage and encumber title thereto.
3. Affiant states that as of this date, the only outstanding unrecorded leases affecting the Property are such unrecorded leases to tenants in possession, none of whom have an option to purchase or right of first refusal.
4. Affiant states that there are no unrecorded deeds or agreements relating to the Property of which he has knowledge, except the loan transaction now being consummated.
5. The undersigned admits that he has read and understands the foregoing and realizes the legal aspects of any misrepresentations and/or untrue statements made herein.

MIDWEST CITY MEMORIAL
HOSPITAL AUTHORITY, a public trust

By: _____
Matthew D. Dukes II, Chairman

Executed, subscribed and sworn to before me this ____ day of February, 2017.

My Commission Number and Expiration Date: _____
Notary Public

FIRST AMENDMENT TO LOAN AGREEMENT

THIS FIRST AMENDMENT TO LOAN AGREEMENT (this "First Amendment") is made effective as of the 10th day of February, 2017, by and between SOONER TOWN CENTER II, L.L.C., an Oklahoma limited liability company ("Borrower"), and FNB COMMUNITY BANK, an Oklahoma state banking corporation, formerly First National Bank, Midwest City, Oklahoma ("Lender").

WITNESSETH:

WHEREAS, the Borrower, certain Guarantors and Lender entered into that certain Loan Agreement dated September 18, 2012 (the "Original Loan Agreement");

WHEREAS, pursuant to the Original Loan Agreement, the Lender extended a construction loan to the Borrower; and

WHEREAS, the Borrower and Lender desire to amend the Original Loan Agreement pursuant to this First Amendment to extend the term of the Loan, and to modify and amend other terms.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Borrower and Lender agree as follows:

1. Defined Terms. Except as otherwise defined herein, all terms defined in the Schedule "A" to the Original Loan Agreement will have the same meaning in this First Amendment.

2. Loan Agreement Definitions.

2.1 New Definition. The following definition is hereby added to Schedule "A" to the Original Loan Agreement:

First Amendment. The First Amendment to Loan Agreement dated effective February 10, 2017.

2.2 Amended Definitions. The following definitions in Schedule "A" to the Original Loan Agreement are amended as follows:

Dick's Lease. The lease agreement dated March 1, 2012, as amended, between the Borrower and Dick's for occupancy by Dick's of approximately 50,000 square feet of the building constructed on the Site for operation of a retail sporting goods store.

Loan. The extension of credit having an outstanding principal amount of \$8,512,235.85 as of the date of the First Amendment made by the Lender to the

Borrower pursuant to the terms of this Agreement and all extensions, renewals, increases, consolidations and modifications hereof.

McAlister's Lease. The lease agreement dated June 18, 2012, as amended, between the Borrower and McAlister's for occupancy by McAlister's of approximately 3,600 square feet of the building constructed on the Site for operation of a deli restaurant.

Note. The First Amended and Restated Promissory Note executed by the Borrower and delivered to the Lender to evidence the Loan in the form and containing the terms attached as Schedule "A" to the First Amendment, and all extensions, renewals and modifications thereof.

Office Depot Lease. The lease agreement dated October 31, 2013, as amended, between the Borrower and Office Depot for occupancy by Office Depot of approximately 15,400 square feet of the building constructed on the Site for operation of a retail office supply store.

2.2 Deleted Definitions. The definitions of "Guarantors" and "Guaranty Agreement" in the Original Loan Agreement are hereby deleted, and all references to such terms in the Original Loan Agreement are hereby deleted.

3. Lending Agreement. Sections 1.2.2 and 1.3 of the Original Loan Agreement are hereby deleted and replaced in their entirety by the following:

1.2.2 Permanent Period. During the Permanent Period, the Note will bear interest on the unpaid principal balance accrued at a fixed rate of interest equal to three and one-half percent (3.50%) per annum in excess of the Treasury Rate, adjusted on each five (5) year anniversary date of the First Amendment based on the Treasury Rate as of such date, calculated on the actual days elapsed based on a per diem charge computed over a year composed of three hundred sixty (360) days. The initial Treasury Rate is 1.94%, and the initial rate of interest payable under the Note is 5.44%. Installments of principal and interest on the total amount disbursed under the Note in an amount based on a twenty-two (22) year amortization will be paid monthly on the tenth (10th) day of each month commencing March 10, 2017. On each 5-year anniversary date of the First Amendment prior to maturity, the Lender shall recalculate the monthly installment of principal and interest, based on the interest rate as adjusted on such date, which shall be due on the next following installment due date through and continuing on each installment due date thereafter including the installment due date on the next 5-year anniversary date in order to maintain the original 22-year amortization schedule of the Note.

1.3 Maturity. The entire unpaid balance of principal and accrued but unpaid interest owing on the Note will be due and payable on February 10, 2039.

4. Limited Guaranties. Section 2.6 of the Original Loan Agreement is hereby deleted, and the Guarantors are released from their respective Guaranty Agreements executed and delivered contemporaneously with the Original Loan Agreement.

5. Notices. The notice addresses in Section 10.5 of the Original Loan Agreement are hereby amended as follows:

If to the Borrower, at:

c/o Collett & Associates, LLC
1111 Metropolitan Avenue, Suite 700
Charlotte, North Carolina 28204-3424
Attn: Mr. Robert Collett
E-mail: mail@rcollett.com

With a copy to (which will not constitute notice for any purpose):

Troutman Sanders LLP
301 S. College Street, Suite 3400
Charlotte, North Carolina 28202
Attention: Michael F. Tomlinson, Esq.
michael.tomlinson@troutmansanders.com

If to the Hospital Authority:

Midwest City Memorial Hospital Authority
100 Midwest Boulevard
Midwest City, Oklahoma 73110
Attention: City Attorney

If to the Lender:

FNB Community Bank
P.O. Box 10600
Midwest City, Oklahoma 73140 (for U.S. Mail)
2911 S. Air Depot
Midwest City, Oklahoma 73110 (for personal delivery and overnight delivery)
Attention: Theresa Privette, Vice President
E-mail: tprivette@fnbmc.com

With a copy to (which will not constitute notice for any purpose):

Phillips Murrah P.C.
Corporate Tower, Thirteenth Floor
101 North Robinson Avenue
Oklahoma City, Oklahoma 73102
Attention: J. Mark Lovelace, Esq.

E-mail: jmlovelace@phillipsmurrah.com

6. Conditions to First Amendment. The obligation of the Lender to perform the Original Loan Agreement as amended by this First Amendment is subject to the performance of the following conditions precedent:

6.1 Loan Documents. This First Amendment, the Note, the First Amendment to the Mortgage from the Borrower in the form of attached Schedule "B", the First Amendment to the Mortgage from the Hospital Authority in the form of attached Schedule "C", a Release from the Guarantors in favor of the Lender in the form of attached Schedule "D", and all other documents required by the Lender shall have been duly executed, acknowledged (where appropriate) and delivered to the Lender, all in form and substance satisfactory to the Lender.

6.2 Authority. The Borrower shall have delivered to the Lender such resolutions and other documents reasonably required to authorize the execution, delivery and performance of this First Amendment and the other Loan Documents described in Section 6.1, all in form and substance satisfactory to the Lender.

6.3 Appraisal. The Lender shall have received a satisfactory current appraisal of the Site with the completed Project.

6.4 Survey. The Lender shall have received an acceptable, current as-built ALTA survey of Parcel 1 subject to the Ground Lease.

6.5 Title Insurance. The Lender shall have received such endorsements acceptable to Lender to update the effective date of the existing Title Policy to reflect the filing of amendments to the Mortgages pursuant to Section 6.1 and the current as-built survey provided pursuant to Section 6.4.

6.6 Landlord Estoppel from the Hospital Authority. The Lender shall have received an executed landlord estoppel executed by the Hospital Authority regarding the Ground Lease.

7. Post-Closing Covenants. The Borrower shall exercise its best efforts to promptly obtain current tenant estoppels for the benefit of the Lender from each of Dick's, McAlister's and Office Depot in accordance with their respective Leases.

8. Miscellaneous.

8.1 Effect of Amendment. The Original Loan Agreement, as amended, modified and supplemented by this First Amendment (as amended, the "Loan Agreement"), shall continue in full force and effect in accordance with its covenants and terms and is hereby ratified, restated and reaffirmed in every respect by the Borrower and Lender, including any security interests granted pursuant thereto, as of the date hereof. The Borrower's representations and warranties contained in the Loan Agreement and other Loan Documents are true and correct as of the date hereof and with the same force

and effect. To the extent that terms of this First Amendment are inconsistent with the terms of the Original Loan Agreement, this First Amendment shall control and the Original Loan Agreement shall be amended, modified or supplemented so as to give full effect to the transaction contemplated by this First Amendment.

8.2 Release. In consideration of the agreements of the Lender set forth in or contemplated by this First Amendment, the Borrower hereby releases and forever discharges the Lender and its agents, servants, employees, officers, attorneys, successors and assigns (collectively, the "Released Parties") from all damage, loss, claims, demands, liabilities, obligations, actions and causes of action whatsoever which the Borrower might now have or claim to have against the Released Parties, whether presently known or unknown, and of every nature and extent whatsoever on account of or in any way concerning, arising out of or founded on the Loan Documents or the Original Loan Agreement, including, without implied limitation, all such loss or damage of any kind heretofore sustained or that might arise as a consequence of the dealings among the parties based on a theory of "lender liability," bad faith, breach of contract, laches or estoppel, or any theory similar to any of the foregoing based on or resulting from any action or inaction of any Released Party either directly or indirectly, actively or passively, in connection with the Original Loan Agreement, the other Loan Documents or other dealings among the parties. This release will not extend to any claim arising after the date of this First Amendment to the extent such claim is based on acts or omissions of any Released Party occurring after the date of this First Amendment except that such release is specifically intended by the parties to include the transactions contemplated by the Original Loan Agreement and this First Amendment.

8.3 Expenses. The Borrower will pay all of the reasonable fees and expenses of counsel employed by the Lender in connection with the negotiation and preparation of this First Amendment.

8.4 Descriptive Headings. The descriptive headings of the sections of this First Amendment are inserted for convenience only and shall not be used in the construction or the content of this First Amendment.

8.5 Multiple Counterparts. This First Amendment may be executed in one or more counterparts, each of which shall, for all purposes of this First Amendment, be deemed an original, but all of which shall constitute one and the same agreement.

(see attached signature page)

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first above written.

SOONER TOWN CENTER II, L.L.C., an Oklahoma limited liability company

By: _____
Robert C. Collett, Manager

("Borrower")

FNB COMMUNITY BANK, an Oklahoma state banking corporation

By: _____
Theresa Privette, Vice President

("Lender")

RATIFICATION BY HOSPITAL TRUST

THIS ADDENDUM is executed by MIDWEST CITY MEMORIAL HOSPITAL AUTHORITY, a public trust (the "Hospital Trust"), and attached as an integral part of the foregoing First Amendment to Loan Agreement (the "First Amendment"), of even date, executed by SOONER TOWN CENTER II, L.L.C., an Oklahoma limited liability company (the "Borrower"), and FNB COMMUNITY BANK, an Oklahoma state banking corporation, formerly First National Bank, Midwest City, Oklahoma (the "Lender"). Unless otherwise defined herein, the words bearing initial capital letters are intended to have the meanings defined in Schedule "A" to the Loan Agreement as amended by the First Amendment.

A G R E E M E N T S:

In consideration of the agreements by the Lender to extend the maturity date of the Loan to the Borrower and amend certain other terms thereof as set forth in the First Amendment, the benefits to be derived by the Hospital Trust therefrom and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Hospital Trust hereby represents to and agrees with the Lender as follows:

1. Consent. The Hospital Trust has examined and hereby consents to the Borrower's execution and delivery of each of the First Amendment and related Loan Documents executed by the Borrower.

2. Amendment to Mortgage. The Hospital Trust agrees to execute and deliver to Lender the First Amendment to the Mortgage from the Hospital Authority in the form of Schedule "C" attached to the First Amendment.

IN WITNESS WHEREOF, the Hospital Trust has executed this instrument effective February 10, 2017.

MIDWEST CITY MEMORIAL HOSPITAL
AUTHORITY, a public trust

By: _____
Name: _____
Title: _____

LOAN AGREEMENT

between

SOONER TOWN CENTER II, L.L.C.,
an Oklahoma limited liability company

(the "Borrower")

and

FIRST NATIONAL BANK,
Midwest City, Oklahoma

(the "Lender")

September 18, 2012

List of Schedules

Schedule "A" – Defined Terms

Schedule "B" – Promissory Note

Schedule "C" – Mortgage, Security Agreement and Financing Statement (Borrower)

Schedule "D" – Mortgage, Security Agreement and Financing Statement (Hospital Trust)

Schedule "E" – Lease Assignment (Borrower)

Schedule "F" – Lease Assignment (Hospital Trust)

Schedule "G" – Form of Limited Guaranty Agreement

Schedule "H" – Form of Collateral Assignment of Architectural Contract

Schedule "I" – Collateral Assignment of Construction Contract

LOAN AGREEMENT

THIS AGREEMENT is made effective September ____, 2012, between SOONER TOWN CENTER II, L.L.C., an Oklahoma limited liability company, and FIRST NATIONAL BANK, a national banking association. Unless capitalized for grammatical purposes, words bearing initial capital letters are intended to have the meanings defined at Schedule "A".

R E C I T A L S:

WHEREAS, on April 5, 2012, the Borrower accepted the Loan Commitment which provided, *inter alia*, that the Lender would advance proceeds of the Loan not to exceed Nine Million One Hundred Thirty Six Thousand Nine Hundred Seventy and No/100 Dollars (\$9,136,970.00).

NOW, THEREFORE, in consideration of the premises and the mutual agreements set forth herein, Borrower and Lender agree as follows:

1. Lending Agreement. Subject to the Borrower's performance of the terms of the Loan Documents, the Lender agrees to lend to the Borrower an aggregate amount not to exceed \$9,136,970.00 on the following terms:

1.1 Amount. The Loan will be evidenced by the Note in the face amount of \$9,136,970.00.

1.2 Interest and Repayment.

1.2.1 Construction Period. During the Construction Period, the Note will bear interest on the unpaid principal balance accrued from each date of disbursement at that rate which is equal to three percent (3%) per annum in excess of the LIBOR Rate calculated on the actual days elapsed based on a per diem charge computed over a year composed of three hundred sixty (360) days. The rate of interest will be adjusted during the term of the Note effective on the first day of the month following each change in the LIBOR Rate. Interest on the amounts disbursed under the Note, accrued from the date of each disbursement through the tenth (10th) day of each month, will be paid monthly on the tenth (10th) day of each month.

1.2.2 Permanent Period. During the Permanent Period, the Note will bear interest on the unpaid principal balance accrued from each date of disbursement at a fixed rate of interest equal to three percent (3%) per annum in excess of the Treasury Rate but not less than four and one-half percent (4.50%) in any event, calculated on the actual days elapsed based on a per diem charge computed over a year composed of three hundred sixty (360) days. Installments of principal and interest on the total amount disbursed under the Note in an amount based on a twenty five (25) year amortization will be paid monthly on the tenth (10th) day of each month commencing October 10, 2013.

1.3 Maturity. The entire unpaid balance of principal and accrued but unpaid interest owing on the Note will be due and payable on September 10, 2018.

1.4 Optional Prepayments. The Borrower will have the right at any time and from time to time to prepay all or any portion of the unpaid principal balance of the Note without penalty, but with interest accrued to the date of prepayment on the unpaid principal balance of the Note.

2. Collateral. Payment of the Note and performance of all of the Borrower's obligations under the Loan Documents will be secured by the following collateral:

2.1 Leasehold Mortgage Liens. A first priority leasehold mortgage lien executed by Borrower covering that portion of the Collateral which constitutes real property pursuant to the Ground Lease and the Ground Sublease;

2.2 Fee Mortgage Liens. A first priority mortgage lien executed by the Hospital Trust covering the Hospital Trust's real property interests in Parcel 1 of the Site;

2.3 Lease Assignments. A first priority collateral assignment of the Dick's Lease, Office Depot Lease, McAlister's Lease and any other leases entered into by the Borrower for the Project, and a first priority collateral assignment of the Ground Lease executed by the Hospital Authority;

2.4 Security Interest. A first priority security interest covering that portion of the Collateral which constitutes personal property owned by the Borrower;

2.5 Assignments. A first priority assignment as collateral of the General Contract, the Architects' contracts and all other primary contracts relating to the design and development of the Project designated by the Lender; and

2.6 Limited Guaranties. The limited guaranties of the Guarantors.

3. Advances. Provided no Event of Default has occurred and is continuing, the proceeds of the Loan will be advanced as follows:

3.1 Draw Requests. The Lender will advance funds in bi-weekly installments in the amounts requested by the Borrower provided the Lender shall have received and approved: (a) draw request forms with certification by the Borrower and General Contractor that the draw request is for reimbursement of actual costs incurred for the development of the Project; (b) a certification by the Borrower that no costs have been or are anticipated to be incurred which require a modification of the Budget in any manner other than a reallocation of cost savings in a Budget line item to another Budget line item; (c) certification by the Architects and the General Contractor that the development of the Project in place is in substantial compliance with the Plans and Specifications; (d) a calculation by the Architects of the percentage of completion of the Project; (e) a down dating endorsement to the Title

Policy confirming the unpaid balance of the Loan and that no mechanics', materialmen's, laborer's liens or other claims have been filed against the Project; and (f) if requested by the Title Insurer, lien waivers for persons having lienable claims who were paid with the proceeds of all preceding draws. At Lender's discretion, an independent consultant may be retained by Lender to inspect the Project and assist in the approval of draw requests, and Borrower agrees to reimburse Lender for the charges of such consultant.

3.2 Manner of Payment. On the Borrower's satisfaction of the requirements of this Agreement, the Lender will disburse the approved amount to the Borrower's account on deposit with the Lender or, at the option of the Lender, will pay the approved amount directly to the requested payee for the account of the Borrower. Lender will advance an approved amount based upon the percentage of completion of the Project as calculated by the Architects pursuant to Section 3.1.

3.3 Maximum Advances. The Lender will not be required to fund more than the maximum Loan amount of \$9,136,970.00.

3.4 Termination of Advances. The Lender will have no obligation to make any advance under the Note if an Event of Default has occurred and is continuing.

3.5 Further Assurances. If any advance is made to acquire any asset, the Borrower will execute and deliver to the Lender such mortgages, security agreements, financing statements and other documents as might be reasonably requested by the Lender to subject such asset to the liens created by the Loan Documents.

3.6 Optional Advances. Notwithstanding the limitations set forth in this Section 3, the Lender expressly reserves the right to waive the requirements herein contained from time to time and to permit the Borrower, in the Lender's absolute discretion, to obtain disbursements under the Note in such amounts and on such terms as the Lender might approve.

4. Conditions of Lending. The obligations of the Lender to perform the Loan Documents and to make advances under the Note are subject to the satisfaction of the following conditions precedent on terms acceptable to the Lender:

4.1 Loan Documents. The Loan Documents shall have been duly executed, acknowledged (where appropriate) and unconditionally delivered to the Lender by the Borrower and all other persons designated by the Lender, all in form and substance satisfactory to the Lender.

4.2 Title Insurance. Lender shall have received the Title Policy covering the Site and any and all easement rights required for ingress, egress and parking over other real estate issued in an amount equal to the aggregate amount of the Note issued by the Title Insurer and on terms satisfactory to Lender insuring each advance under the Note shall be secured by the liens of the Mortgage subject only to the Permitted Title Exceptions. The Title Policy shall include neither an exception based on mechanics' and materialmen's liens nor any exception

based on discrepancies, conflicts in boundary lines, or other facts that would be disclosed by a proper survey. The Title Policy shall include such endorsements as Lender might require, and the Title Insurer shall provide Lender with a complete copy of every document referred to in Schedule B-II to the Title Policy.

4.3 Insurance. Lender shall have received certificates or policies of (i) fire and extended coverage insurance with builder's risk endorsements for replacement cost of the Project, (ii) property coverage insurance on the Collateral in an amount equal to the greater of the full replacement value of the improvements or the outstanding aggregate balance of the Loan; and (iii) comprehensive public liability insurance in the minimum amount of \$1,000,000 for a single occurrence and \$2,000,000 in the aggregate. The policies shall be issued by companies as shall be satisfactory to Lender, naming Lender, where appropriate, under a standard mortgage or loss payee clause satisfactory to Lender and a provision that coverage shall not be terminated or modified without thirty (30) days prior written notice to Lender, together with evidence of premium payment.

4.4 Flood Hazard. Lender shall have received satisfactory evidence that the Project is not situated within an area identified by the Director of the Federal Emergency Management Agency or any other governmental agency as areas having special flood or mudslide hazards and that no flood insurance is required by any regulations governing Lender.

4.5 Origination Fee. Lender shall have received an origination fee of \$35,684.85, or one-half percent (0.50%) of the maximum principal amount of the Loan with a credit for \$10,000.00 paid as an origination fee for the Bridge Loan.

4.6 Use Restrictions. Lender shall have received evidence satisfactory to Lender the completed Project shall comply with all applicable zoning, use, subdivision and building requirements imposed by any governmental authority or private restriction, including without limitation, the Redevelopment Agreements and the Lowe's ECCR.

4.7 Survey. Lender shall have received from Borrower, at Borrower's sole expense, three (3) copies of a current, as-built survey of the Real Property and prepared by a certified and registered land surveyor in form satisfactory to Lender and the Title Insurer. The survey shall include: (i) the perimeters of the Real Property and the bearings and dimensions thereof; (ii) the location of all existing improvements on the Real Property; (iii) the location of all easements and other matters of record affecting the Real Property; (iv) the location of adjacent streets and property evidencing access to the Real Property; (v) the location of encroachments by the improvements, if any, upon adjoining property; (vi) the location of encroachments upon the Real Property; and (vii) such other matters as Lender may reasonably require.

4.8 Engineer's Report. Lender shall have received a copy of the soil reports addressed to the Lender and a letter from the Borrower's architect or other appropriate professional in form and content satisfactory to the Lender stating that the foundations and

structural members of the Project have been adequately designed considering soil conditions at the Project site.

4.9 Environmental Consultant's Report. Lender shall have received from an environmental consultant an Environmental Phase I audit of the Property, and additional audits if required, and a written report of the results thereof, addressing common risks including (i) the past or present use, generation or storage on or about the Property of any hazardous materials, (ii) the extent of the Property's compliance or lack of compliance with applicable environmental laws, and (iii) identification of potential asbestos containing materials. Any deficiencies noted in said report must be remediated to Lender's sole satisfaction prior to Closing.

4.10 Access. Lender shall have received satisfactory evidence that all streets necessary for access to the Project have been completed, dedicated and accepted for public use and maintenance and that agreements have been executed and filed in the land records of the county in which the Real Property is located to permit the Title Company to ensure that the Property has access to South Air Depot and S.E. 29th Street. Lender shall also have received satisfactory evidence that the Project has access to all applicable utilities for the operation of the completed Project.

4.11 Appraisal. Lender shall have received and approved an acceptable appraisal of the Project.

4.12 Permits. Lender shall have received copies of all permits required by any governmental authority to authorize construction of the Project.

4.13 Plans and Specifications and Contracts. Lender shall have received and approved a copy of the General Contract, the Architects' Contracts and all plans and specifications for the Project.

4.17 Organizational Documents; Authority. Lender shall have received certified copies of the Certificate of Limited Liability Company issued by the Oklahoma Secretary of State and the Operating Agreement for Borrower, complete with all amendments thereto; a current Certificate of Good Standing issued by the Oklahoma Secretary of State; and a certified copy of the certificate of authority of the managers of Borrower for the execution, delivery and performance of the Loan Documents by Borrower, all in form and substance satisfactory to Lender.

4.18 Request for Initial Advance. Borrower shall have submitted, and Lender shall have approved, a request for the initial advance under the Loan with sufficient detail and justification therefor as required by Lender.

4.19 Remaining Loan Documents. Any Loan Documents not executed at Closing shall have been duly executed, acknowledged (where appropriate) and delivered to Lender by the required parties, all in form and substance satisfactory to Lender.

4.20 Other Information. Lender shall have received, reviewed and approved such other information concerning the Project and Borrower as Lender might reasonably require.

4.21 No Default. The representations and warranties set forth in Section 6 of this Agreement shall be true and correct in all material respects and there shall not have occurred and be continuing any Event of Default.

5. Borrower's Agreements. Until the expiration of the Lender's obligations to advance funds under the Loan Documents and payment in full of the Loan, unless the Lender otherwise consents in writing, the Borrower agrees to perform or cause to be performed the following agreements:

5.1 Construction. The Borrower will complete development of the Project in compliance with the Redevelopment Agreements, the Lowe's ECCR, the Dick's Lease, the Office Depot Lease, the McAlister's Lease and the Plans and Specifications and in compliance with all applicable building codes, zoning and use restrictions.

5.2 Change Orders. The Borrower will submit to the Lender for prior approval any proposed modification in the work to be performed as a part of the Project which will result in an increase or decrease in excess of Fifty Thousand Dollars (\$50,000) in the Budget or which materially alters the size, quality, configuration or anticipated use of the Project, all as determined in the reasonable judgment of the Lender.

5.3 Excess Costs. If at any time, in the reasonable judgment of the Lender, the cost of completing construction of the Project and satisfying the terms of this Agreement will exceed the amounts then remaining to be advanced hereunder, the Borrower, on the written request of the Lender, will promptly deposit with the Lender funds sufficient to pay such excess costs. Any funds so deposited will be held by the Lender without interest and disbursed prior to any additional advances under the Note.

5.4 Governmental Approvals. The Borrower will obtain all permits, licenses, easements and rights-of-way from governmental authorities which are required by the Redevelopment Agreements, the Lowe's ECCR, the Dick's Lease, the Office Depot Lease and the McAlister's Lease.

5.5 Leases. From time to time during the Loan term, the Borrower will provide to the Lender copies of the fully-executed Office Depot Lease and the McAlister's Lease, if not executed as of the date of this Agreement.

5.6 Plans and Specifications. The Borrower shall have provided two (2) complete sets of the Plans and Specifications for approval by the Lender.

5.7 Construction and Architects' Contracts. The Borrower shall have provided copies of the General Contract, the Architects' contracts and all other contracts for construction of the Project which have been requested by the Lender.

5.8 Performance of Obligations. The Borrower agrees to pay and perform all of the Borrower's obligations relating to the Project when due and prior to the date on which penalties attach by reason of nonperformance.

5.9 Notice of Change. The Borrower agrees to give prompt written notice to the Lender of: (a) the occurrence of any Event of Default; (b) any occurrence which might mature into an Event of Default; (c) all litigation involving the Borrower or any Guarantor in which the amount claimed exceeds One Hundred Thousand Dollars (\$100,000) in a single action or in the aggregate of all actions; and (d) any other matter which has resulted in, or might result in, a material adverse change in the financial condition of the Borrower, any Guarantor or the value of the Collateral.

5.10 Records. The Borrower agrees to maintain full and accurate accounts and records of the Borrower's operations. The Lender and the Lender's designated representatives will have the right to examine and copy the records and accounts of the Borrower relating to the Project, to discuss the business activities and finances of the Borrower and to be informed of the same by the Borrower as the Lender might reasonably request.

5.11 Financial Information. The Borrower agrees to furnish or cause to be furnished to the Lender the following information:

5.11.1 Borrower Financial Statements and Tax Returns. Borrower shall furnish to Lender (i) annual financial statements for Borrower and the Project within ninety (90) days of each calendar year end including a balance sheet, income statement, rent roll and a schedule of Borrower's direct and contingent debts (including loans and capital leases), reflecting creditors, amounts owed and debt service requirements, and (ii) copies of federal income tax returns with all attached schedules within thirty (30) days of filing same, provided, that if Borrower obtains an extension or extensions to file such federal income tax return and provides copies of such extensions to Lender within ten (10) days of filing of each such extension, Borrower shall provide its federal income tax return for the preceding calendar year to Lender as soon as it is filed with the Internal Revenue Service.

5.11.2 Guarantors' Statements and Tax Returns. The Guarantors shall furnish to Lender (i) an annual financial statement certified by such Guarantors dated as of December 31 of each year by not later than April 30 of the following year and (ii) federal income tax returns with all attached schedules within thirty (30) days of filing same, provided, that if any Guarantor obtains an extension or extensions to file such federal income tax return and provides copies of such extensions to Lender within ten (10) days of filing of each such extension, such Guarantor shall provide its

federal income tax return for the preceding calendar year to Lender as soon as it is filed with the Internal Revenue Service.

5.12 Other Information. The Borrower agrees to furnish to the Lender such other information concerning the business activities of the Borrower, each Guarantor and the Project as the Lender might reasonably request.

5.13 Insurance. The Borrower agrees to continuously maintain in full force and effect policies of casualty and public liability insurance which comply with the requirements of this Agreement.

5.14 Expenses. The Borrower agrees to pay all fees, expenses and charges reasonably incurred by the Lender with respect to the Loan including, without implied limitation, fees and expenses of legal counsel for the Lender, appraiser's fees, survey expenses, environmental and other engineering charges, fees and expenses of the Title Insurer, insurance premiums, filing fees and all other expenses involved in the closing of the Loan and in the preparation, administration or enforcement of any of the Loan Documents.

5.15 Debt; Liens. The Borrower will not incur additional indebtedness for borrowed money and will not create, assume or suffer to exist any trust deed, mortgage, pledge, security interest, encumbrance or other lien (including the lien of an attachment, judgment or execution) securing a charge or obligation affecting the Collateral, excepting only: (a) liens for governmental charges which are not delinquent or the validity of which is being contested by the Borrower in good faith by diligent prosecution of appropriate proceedings; (b) deposits made to secure statutory or other obligations incurred in the ordinary course of the Borrower's business; (c) liens created by the Loan Documents; (d) the Permitted Title Exceptions; and (e) liens, the validity of which is being contested by the Borrower in good faith by diligent prosecution of appropriate proceedings, provided that title insurance or other indemnity arrangements satisfactory to the Lender have stayed the effect of such liens.

5.16 Sale of Collateral. The Borrower will not sell, transfer or assign the Collateral or any interest therein, except leasehold estates and other rights granted by the Dick's Lease, the Office Depot Lease and the McAlister's Lease.

5.17 Banking Accounts. The Borrower agrees to maintain all of the Borrower's banking accounts on deposit with the Lender and to establish such control accounts and other administrative devices as the Lender might reasonably request in connection with the administration of the Loan.

5.18 Other Agreements. The Borrower will not enter into any agreement or do any act which might limit or restrict the Borrower's ability to comply with the terms of the Loan Documents.

5.19 Additional Documents. The Borrower agrees to execute and deliver any documents which are necessary in the reasonable judgment of the Lender to obtain, maintain

and perfect the mortgage liens and security interests intended to be created by the Loan Documents, to enable the Lender to comply with any federal or state law applicable to the Lender or to obtain the benefits intended to be conferred on the Lender by the Loan Documents.

6. Representations and Warranties. The Borrower represents and warrants to the Lender as follows:

6.1 Existence; Authority. The Borrower is and will continue to be a limited liability company duly organized and validly existing under the laws of the State of Oklahoma; the Borrower has adequate power, authority and legal right to develop, own and operate the Project; the Borrower is duly authorized, qualified and licensed under all applicable laws, regulations, ordinances or orders of public authorities to carry on the Borrower's business in the development, ownership and operation of the Project; the Borrower has adequate authority, power and legal right to enter into and carry out the provisions of the Loan Documents, to borrow money and to give security for borrowings as required by this Agreement and to consummate the transactions contemplated hereby; the persons executing the Loan Documents on behalf of the Borrower have the authority and capacity to bind the Borrower as contemplated by the Loan Documents.

6.2 Ownership. The Borrower and Hospital Authority are the sole owners of the Collateral free from all claims, liens, security interests, encumbrances and title retention devices, subject only to the Permitted Title Exceptions. The Borrower and Hospital Authority will defend title to the Collateral against all claims and demands of any person which are adverse to the Lender.

6.3 Litigation. There is no action, suit, proceeding or investigation pending or, to the best of the Borrower's knowledge after appropriate inquiry, threatened against the Borrower, the Hospital Authority, any Guarantor, the Collateral or the Project which might materially and adversely affect the Borrower, the Hospital Authority, any Guarantor, the Collateral or the Project or result in any substantial liability not adequately covered by insurance or impair the ability of the Borrower to carry on the Borrower's business as the same is conducted on the date of this Agreement.

6.4 No Default. The execution and performance by the Borrower, the Hospital Authority and the Guarantors of the Loan Documents will not violate any provision or constitute a default under any agreement to which the Borrower, the Hospital Authority or any Guarantor is a party or by which the Borrower, the Hospital Authority, any Guarantor, the Collateral or the Project is bound or affected.

6.5 Financial Information. The financial information delivered to the Lender relating to the Borrower, each Guarantor, the Collateral and the Project is correct, complete and fairly represents the financial condition and the results of operations of the Borrower, each Guarantor, the value of the Collateral and the cost of developing the Project as of the

dates of such financial information and there has occurred no material adverse change in such financial information.

6.6 Enforceability. The Loan Documents constitute the legal, valid and binding obligations of the Borrower, the Hospital Authority and each Guarantor enforceable against the Borrower, the Hospital Authority and each Guarantor in accordance with their respective terms.

6.7 Environmental Liability. None of the Borrower, the Hospital Authority nor the Project is in violation of any Environmental Law or subject to any claim for remediation of Hazardous Substances.

6.8 Taxes. The Borrower has filed all federal, state and local tax returns which are required to be filed for the current and prior tax years and has paid or made provisions for payment of all taxes which are due, except such taxes as are being contested in good faith and as to which adequate reserves have been provided. The Borrower knows of no basis for the assessment of any tax deficiency against the Borrower.

6.9 Future Operations. The Borrower does not intend to hinder, delay or defraud any existing or future creditor of the Borrower or to use the funds to be advanced by the Lender to the Borrower to create any preferential treatment of any creditor of the Borrower in anticipation of seeking relief under the Bankruptcy Code or any similar law.

6.10 Agreements Effective. True, correct and complete copies of the Redevelopment Agreements, Lowe's ECCR, Dick's Lease, Office Depot Lease, McAlister's Lease, the General Contract, the Architects' contracts and all other third party agreements required by this Agreement have been or will be delivered to the Lender, copies of any future modifications to such agreements will be promptly provided to the Lender and each of such agreements will be maintained in full force and effect.

6.11 Compliance With Laws. The Borrower is in compliance in all material respects with all laws, rules, regulations, orders and decrees which are applicable to the Borrower, the Collateral or the Project, including, without implied limitation, all state and federal securities laws, the Employee Retirement Income Security Act of 1974, the Fair Labor Standards Act, Regulations G, T, U and X of the Board of Governors of the Federal Reserve System and all Environmental Laws.

6.12 Disclosure. No representation or warranty made by the Borrower in the Loan Documents contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein not misleading. There is no fact known to the Borrower which has or might reasonably be anticipated to have a material adverse effect on the business, assets, financial condition or operations of the Borrower, any Guarantor, the cost of the Project or the value of the Collateral which has not been disclosed to the Lender in writing.

7. Environmental Compliance. The Borrower agrees that the Borrower will not use, generate, manufacture, produce, store, release, discharge or dispose of any Hazardous Substance or allow any other person to do so in violation of any Environmental Law. The Borrower agrees to give prompt written notice to the Lender of: (a) any proceeding or inquiry by any governmental authority (including, without implied limitation, the Oklahoma State Department of Health, the Oklahoma Water Resources Board, the Oklahoma Corporation Commission, the Oklahoma Department of Environmental Quality and the United States Environmental Protection Agency) with respect to the presence of any Hazardous Substance on the Project; (b) all claims made or threatened by any third party against the Borrower relating to any loss or injury resulting from any Hazardous Substance; and (c) the discovery by the Borrower of any occurrence or condition that could cause the Borrower to be subject to any restrictions on the ownership, occupancy, transferability or use of the Project under any Environmental Law. The Borrower agrees to protect, indemnify and hold harmless the Lender, the Lender's directors, officers, employees, agents, successors and assigns against all loss, damage, cost, expense or liability (including reasonable attorneys' fees and costs) directly or indirectly arising out of or attributable to the use, generation, manufacture, production, storage, release, threatened release, discharge, disposal or presence of a Hazardous Substance including, without implied limitation: (i) all consequential damages; and (ii) the costs of any required or necessary repair, cleanup or detoxification and the preparation and implementation of any closure, remediation or other required plan. The foregoing indemnity agreement will survive the payment of the Loan and the release or other termination of the Loan Documents. If any investigation, work of any kind is required under any applicable Environmental Law or by any governmental or nongovernmental entity in connection with contamination caused by a Hazardous Substance located on the Project, the Borrower agrees within thirty (30) days after written demand for performance thereof by the Lender (or such shorter period of time as might be required under any applicable Environmental Law) to commence and thereafter diligently prosecute all work required to remediate such contamination. All remedial work will be performed by one or more contractors approved by the Lender under the supervision of a consulting engineer approved by the Lender. All costs and expenses of such remedial work will be paid by the Borrower including, without implied limitation, the charges of such contractor(s) and consulting engineer(s), and the Lender's reasonable attorneys' fees and costs incurred in connection with monitoring or review of such remedial work.

8. Events of Default. The Lender may terminate all obligations of the Lender to make further disbursements under the Note and may exercise all remedies available to the Lender if any of the following events occur and are not remedied by the Borrower or waived in writing by the Lender:

8.1 Nonpayment. The nonpayment when due of any installment of interest or principal owing under the Note or the nonpayment when due of any other amount payable to the Lender under the terms of the Loan Documents; or

8.2 Breach of Agreements. The failure by the Borrower to perform or observe any representation, warranty or agreement contained in any of the Loan Documents, the General Contract, the Dick's Lease, the Office Depot Lease or the McAlister's Lease; or

8.3 Lien Filings. The existence for a period of thirty (30) days of any lien other than the Permitted Title Exceptions and liens created by the Loan Documents covering all or any portion of the Collateral; or

8.4 Work Stoppage. Cessation of development of the Project for a period of ten (10) successive business days unless such work stoppage is caused by strike, act of God or other event beyond the control of the Borrower and the General Contractor; or

8.5 Casualty Loss. Substantial damage, destruction or taking by rights of eminent domain of all or any portion of the Collateral without compensation from insurance proceeds or the condemning authority to the full extent of costs required for replacement or restoration of the Project as a complete architectural unit unless the Borrower is able to satisfy the Lender that it has adequate funds on hand to cover the shortfall in such compensation in order to replace or restore the Project as a complete architectural unit; or

8.6 Representations; Warranties. Any representation, statement, certificate, schedule or report made or furnished to the Lender by or on behalf of the Borrower or any Guarantor proves to be false or erroneous in any material respect at the time of the making thereof or any representation or warranty contained in the Loan Documents ceases to be complied with in any material respect; or

8.7 Insolvency; Bankruptcy. The insolvency (meaning an inability to pay debts as the same become due or the existence of liabilities in excess of assets) of the Borrower or any Guarantor or the institution of bankruptcy, reorganization, liquidation, receivership or conservatorship proceeding by or against the Borrower or any Guarantor; or

8.8 Judgment. Entry by any court of a final judgment against the Borrower or an attachment of the Collateral or any part thereof which is not discharged or stayed to the reasonable satisfaction of the Lender; or

8.9 Other Debt. The default in payment or acceleration of the maturity of any indebtedness of the Borrower owing to any other person; or

8.10 Adverse Change. The occurrence of a material and adverse change in the financial condition of the Borrower or any Guarantor or the cost of the Project or the value of the Collateral.

9. Remedies. On the occurrence of an Event of Default, in addition to any other rights and remedies which the Lender might hold under the terms of any one or more of the Loan Documents, the Lender will have the following remedies:

9.1 Acceleration of Maturity. The Lender may, at the Lender's option, terminate all obligations of the Lender make further advances under the Note and declare the Note and all other amounts owing by the Borrower to the Lender to be immediately due and payable, demand performance of all other obligations of the Borrower under the Loan Documents and

proceed to selectively and successively enforce any one or more of the Lender's rights under the Loan Documents.

9.2 Selective Enforcement. If the Lender elects to selectively and successively enforce the Lender's rights under any one or more of the Loan Documents, such action will not be deemed a waiver or discharge of any other right, lien or encumbrance securing payment of the Note.

9.3 Performance by Lender. If the Borrower fails to cure or cause to be cured any Event of Default within any time provided, the Lender will at any time thereafter have the right, but not the obligation, to cause the Event of Default to be cured on the Borrower's behalf and to pay any secured or unsecured claim (whether prior to or subordinate to the claims of the Lender) affecting the Collateral in such manner and at such times as the Lender determines to be appropriate under the circumstances. The Borrower and each Guarantor hereby authorize the Lender to increase the indebtedness owing by the Borrower to the Lender by the cost of curing any Event of Default or satisfying any claim against the Borrower or the Collateral and agrees that the Loan Documents will evidence and secure payment of such costs whether or not the total funds advanced by the Lender exceed the face amount of the Loan Documents.

9.4 Waiver of Default. The Lender may, by a document signed by the Lender, waive any Event of Default which has occurred and any of the consequences of such Event of Default and, in such event, the Lender, the Borrower and the Guarantors will be restored to the respective former positions, rights and obligations hereunder. Any Event of Default so waived will, for the purposes of the Loan Documents, be deemed to have been cured and not to be continuing, but no such waiver will extend to any subsequent or other Event of Default or impair any consequences of such subsequent or other Event of Default. No waiver of any Event of Default by the Lender will be implied from the failure or delay by the Lender to take any action in respect of the Event of Default. No express waiver of any condition precedent or Event of Default will affect any other Event of Default or extend any period of time for performance other than as specified in such express waiver. One or more waivers of any Event of Default will not be deemed a waiver of any subsequent failure by the Borrower or any Guarantor to perform the same provision or any other provision. The consent to or approval of any act or request by the Lender will not be deemed to waive or render unnecessary the consent to or approval of any subsequent similar act or request. The partial exercise of any right or remedy under the Loan Documents will not preclude any other or further exercise thereof or the exercise of any other right or remedy. No advance of the proceeds of the Loan will constitute a waiver of any of the Borrower's or any Guarantor's representations, warranties, conditions or agreements contained in the Loan Documents. If the Lender elects to advance proceeds of the Loan to the Borrower notwithstanding the Borrower's failure to satisfy any condition precedent to such advance, the advancement of funds will not preclude the Lender from thereafter declaring the Borrower's or any Guarantor's failure to satisfy such condition precedent to be an Event of Default. No course of dealing between the Borrower or any Guarantor and the Lender will be deemed to amend the terms of the Loan Documents

or to preclude the Lender from exercising the rights and remedies therein contained notwithstanding such course of dealing.

9.5 Cumulative Remedies. The rights and remedies of the Lender provided by the Loan Documents are cumulative and no right or remedy will be exclusive of any other or of any other right or remedy which the Lender might otherwise have by virtue of the occurrence of an Event of Default and the exercise of any right or remedy by the Lender will not impair the Lender's standing to exercise any other right or remedy.

9.6 Deposits; Setoff. Regardless of the adequacy of the Collateral, any deposits or other sums credited by or due from the Lender to the Borrower or any Guarantor will at all times constitute collateral security for all obligations of the Borrower to the Lender and may be set off against any and all liabilities, direct or indirect, absolute or contingent, now existing or hereafter arising, of the Borrower and each Guarantor to the Lender. The rights granted by this Section will be in addition to the rights of the Lender under any statutory banker's lien.

9.7 Opportunity to Cure. Any provision of this Agreement or the other Loan Documents to the contrary notwithstanding, if an Event of Default occurs and the Lender elects to declare a Default, the Lender agrees to serve written notice of such Event of Default to the Borrower and each of the Guarantors. The Lender further agrees that the Lender will not exercise any remedy arising from an Event of Default (other than the acceleration of the maturity of the Note and the service of any notice authorized or required by the Loan Documents or the Oklahoma Power of Sale Mortgage Foreclosure Act or otherwise to permit statutory cure periods to run simultaneously with the cure periods herein provided) if the Borrower cures or causes to be cured the Event of Default within the time periods hereafter provided: (a) with respect to an Event of Default which can be cured by the payment of money, the Borrower will have the opportunity to cure the same for ten (10) days after receipt of notice thereof; and (b) with respect to an Event of Default which cannot be cured by the payment of money, the Borrower will have the opportunity to cure the same for thirty (30) days after receipt of notice thereof. The fact that the Borrower is proceeding to cure any Event of Default will not suspend a Default declared by the Lender, impair the effectiveness of any notice served by the Lender or delay any acceleration of the maturity of the Note. The notice periods provided herein will run concurrently with any other notice periods to which the Borrower or any Guarantor might be entitled as a matter of law or otherwise. If such Event of Default is cured by the Borrower to the reasonable satisfaction of the Lender within the time herein provided, the Lender, the Borrower and the Guarantors will be restored to their respective former positions, rights and obligations as if no Event of Default had occurred. If the Borrower fails to cure any Event of Default to the reasonable satisfaction of the Lender within the time herein provided, the Lender will thereafter be entitled to exercise any remedy available to the Lender without further notice to the Borrower or any Guarantor.

10. Miscellaneous. It is further agreed as follows:

10.1 Time. Time is the essence of each provision of this Agreement.

10.2 Participating Lenders. The Borrower and each Guarantor agree that although the Loan Documents name the Lender as the holder thereof, the Lender is authorized to sell participation interests in the Loan to any other financial institution. The Borrower and each Guarantor agree that: (a) each holder of a participation interest will be entitled to rely on the terms of the Loan Documents as if such holder had been named as an original party to the Loan Documents; and (b) the Lender is authorized to provide all information furnished to the Lender by the Borrower and each Guarantor to each holder of a participation interest.

10.3 Survival of Representations. All representations and warranties made by the Borrower and each Guarantor in the Loan Documents will survive the making of the Loan and the delivery of the Loan Documents.

10.4 Severability. In the event any provision contained in any of the Loan Documents is determined to be invalid, illegal or unenforceable in any respect in any jurisdiction, the validity, legality and enforceability of such provision will not in any way be affected or impaired thereby in any other jurisdiction nor will the validity, legality and enforceability of the remaining provisions of the Loan Documents in any way be affected or impaired thereby. It is the intention of the parties that if any such provision is held to be illegal, invalid or unenforceable, there will be added in lieu thereof a provision as similar in terms to such provision as is possible and be legal, valid and enforceable.

10.5 Notices. Any notice, demand or communication required or permitted to be given by any provision of the Loan Documents will be in writing and will be deemed to have been given when delivered personally or by telefacsimile (with a hard copy sent within one (1) business day by any other means described in this paragraph) to the party designated to receive such notice or on the date following the day sent by overnight courier or on the third (3rd) business day after the same is sent by certified mail, postage and charges prepaid, directed to the following addresses or to such other or additional addresses as any party might designate by written notice to the other party:

The Borrower:	Sooner Town Center II, L.L.C. Attn: Robert C. Collett, Manager P.O. Box 9199 Morganton, North Carolina 28680-9119 118C West Union Street Morganton, North Carolina 28655 (for personal delivery and overnight delivery) Telephone: (828) 430-8676 Facsimile: (828) 331-7560 E-mail: mail@rcollett.com
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The Guarantors: William J. Branstrom, III
Robert C. Collett
Robert D. Stearns, as Trustee of the Robert Stearns
Trust dated May 17, 2000
c/o Robert C. Collett
P.O. Box 9199
Morganton, North Carolina 28680-9119 (for U.S. mail)

118C West Union Street
Morganton, North Carolina 28655 (for personal
delivery and overnight delivery)
Telephone: (828) 430-8676
Facsimile: (828) 331-7560
E-mail: mail@rcollett.com

With copy to (which will not constitute notice for any purpose):

K&L Gates LLP
Attention: Michael F. Tomlinson, Esq.
214 North Tryon Street, 47th Floor
Charlotte, North Carolina 28202
Telephone: (704) 331-7560
Facsimile: (704) 353-3260
E-mail: michael.tomlinson@klgates.com

The Hospital Authority: Midwest City Memorial Hospital Authority
100 Midwest Boulevard
Midwest City, Oklahoma 73110
Attention: City Attorney
Telephone: (405) 739-1203
Facsimile: (405) 869-8676
E-mail: kbolles@midwestcityok.org

The Lender: First National Bank
P.O. Box 10400
Midwest City, Oklahoma 73140 (for U.S. Mail)
2911 S. Air Depot
Midwest City, Oklahoma 73110 (for personal
delivery and overnight delivery)
Attention: Theresa Privette, Vice President
Telephone: (405) 732-4571
Facsimile: (405) 737-6914
E-mail: tprivette@fnbmwc.com

With copy to (which will not constitute notice for any purpose):

Phillips Murrah P.C.
Attention: J. Mark Lovelace, Esq.
101 North Robinson, Thirteenth Floor
Oklahoma City, Oklahoma 73102
Telephone: (405) 235-4100
Facsimile: (405) 235-4133
E-mail: jmlovelace@phillipsmurrah.com

10.6 Construction. Nothing in the Loan Documents is intended to constitute the Lender as a joint venturer with the Borrower or any Guarantor or to create a partnership. Except for the terms defined in Schedule "A," the descriptive headings contained in this Agreement are for convenience in reference and are not intended to be used in the construction of the content of this Agreement. This Agreement may be executed in multiple counterparts, each of which will be an original document, but all of which will constitute one agreement.

10.7 Binding Effect. This Agreement will be binding on the Borrower and the Borrower's successors and permitted assigns and will inure to the benefit of the Lender and the Lender's successors and assigns.

10.8 Governing Law. The Loan Documents are executed and delivered pursuant to a lending transaction negotiated and to be performed in Midwest City, Oklahoma County, Oklahoma, and are to be construed according to the internal laws of the State of Oklahoma. All actions with respect to the Loan Documents may be instituted in the courts of the State of Oklahoma sitting in Oklahoma County, Oklahoma, or the United States District Court sitting in Oklahoma City, Oklahoma, as the Lender might elect from time to time, and by the execution and delivery of this Agreement, the Borrower and each Guarantor irrevocably and unconditionally submit to the jurisdiction (both subject matter and personal) of each such court and irrevocably and unconditionally waive: (a) any objection the Borrower or any Guarantor might now or hereafter have to the venue in any such court; and (b) any claim that any action or proceeding brought in any such court has been brought in an inconvenient forum.

10.9 Extension of Term. It is understood that the Lender is under no obligation to extend the term of this Agreement beyond the maturity of the Note and that any such extension will be made in the Lender's sole discretion and on such terms as the Lender might determine.

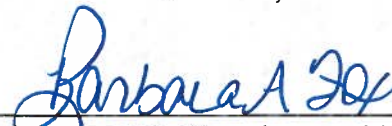
IN WITNESS WHEREOF, the parties have executed and delivered this Agreement effective the date first above written.

SOONER TOWN CENTER II, L.L.C., an Oklahoma limited liability company

By: 
Robert C. Collett, Manager

("Borrower")

FIRST NATIONAL BANK, a national banking association

By: 
Theresa Privette, Vice President
Barbara A. Fox

("Lender")

RATIFICATION BY GUARANTORS

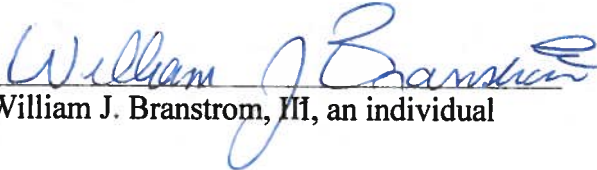
THIS ADDENDUM is executed by WILLIAM J. BRANSTROM III, an individual, ROBERT C. COLLETT, an individual, and ROBERT D. STEARNS, AS TRUSTEE OF THE ROBERT STEARNS TRUST DATED MAY 17, 2000 (the "Guarantors"), and attached as an integral part of the foregoing Loan Agreement (the "Loan Agreement"), of even date, executed by SOONER TOWN CENTER II, L.L.C., an Oklahoma limited liability company (the "Borrower"), and FIRST NATIONAL BANK, a national banking association (the "Lender"). Unless otherwise defined herein, the words bearing initial capital letters are intended to have the meanings defined in Schedule "A" to the Loan Agreement.

A G R E E M E N T S:

In consideration of the agreements by the Lender to extend credit to the Borrower on the terms described in the Loan Agreement and the benefits to be derived by the Guarantors therefrom and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantors hereby jointly and severally represent to and agree with the Lender as follows:

1. Consent. The Guarantors have examined and hereby consent to the Borrower's execution and delivery of each of the Loan Documents executed by the Borrower.
2. Continued Guarantees. The Guarantors jointly and severally agree to guarantee the Borrower's payment and performance of the Loan Documents executed by the Borrower pursuant to the Guaranty Agreements in the form of Exhibit "G" attached to the Loan Agreement.
3. Counterparts. This Addendum may be executed in any number of counterparts, and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Guarantors have executed this instrument effective September 18, 2012.



William J. Branstrom, III, an individual

Robert C. Collett, an individual

Robert D. Stearns, as Trustee of the Robert Stearns Trust dated May 17, 2000

("Guarantors")

RATIFICATION BY GUARANTORS

THIS ADDENDUM is executed by WILLIAM J. BRANSTROM III, an individual, ROBERT C. COLLETT, an individual, and ROBERT D. STEARNS, AS TRUSTEE OF THE ROBERT STEARNS TRUST DATED MAY 17, 2000 (the "Guarantors"), and attached as an integral part of the foregoing Loan Agreement (the "Loan Agreement"), of even date, executed by SOONER TOWN CENTER II, L.L.C., an Oklahoma limited liability company (the "Borrower"), and FIRST NATIONAL BANK, a national banking association (the "Lender"). Unless otherwise defined herein, the words bearing initial capital letters are intended to have the meanings defined in Schedule "A" to the Loan Agreement.

A G R E E M E N T S:

In consideration of the agreements by the Lender to extend credit to the Borrower on the terms described in the Loan Agreement and the benefits to be derived by the Guarantors therefrom and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantors hereby jointly and severally represent to and agree with the Lender as follows:

1. Consent. The Guarantors have examined and hereby consent to the Borrower's execution and delivery of each of the Loan Documents executed by the Borrower.
2. Continued Guarantees. The Guarantors jointly and severally agree to guarantee the Borrower's payment and performance of the Loan Documents executed by the Borrower pursuant to the Guaranty Agreements in the form of Exhibit "G" attached to the Loan Agreement.
3. Counterparts. This Addendum may be executed in any number of counterparts, and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Guarantors have executed this instrument effective September 18, 2012.

William J. Branstrom, III, an individual

Robert C. Collett

Robert C. Collett, an individual

Robert D. Stearns, as Trustee of the Robert Stearns Trust dated May 17, 2000

("Guarantors")

RATIFICATION BY GUARANTORS

THIS ADDENDUM is executed by WILLIAM J. BRANSTROM III, an individual, ROBERT C. COLLETT, an individual, and ROBERT D. STEARNS, AS TRUSTEE OF THE ROBERT STEARNS TRUST DATED MAY 17, 2000 (the "Guarantors"), and attached as an integral part of the foregoing Loan Agreement (the "Loan Agreement"), of even date, executed by SOONER TOWN CENTER II, L.L.C., an Oklahoma limited liability company (the "Borrower"), and FIRST NATIONAL BANK, a national banking association (the "Lender"). Unless otherwise defined herein, the words bearing initial capital letters are intended to have the meanings defined in Schedule "A" to the Loan Agreement.

A G R E E M E N T S:

In consideration of the agreements by the Lender to extend credit to the Borrower on the terms described in the Loan Agreement and the benefits to be derived by the Guarantors therefrom and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantors hereby jointly and severally represent to and agree with the Lender as follows:

1. Consent. The Guarantors have examined and hereby consent to the Borrower's execution and delivery of each of the Loan Documents executed by the Borrower.
2. Continued Guarantees. The Guarantors jointly and severally agree to guarantee the Borrower's payment and performance of the Loan Documents executed by the Borrower pursuant to the Guaranty Agreements in the form of Exhibit "G" attached to the Loan Agreement.
3. Counterparts. This Addendum may be executed in any number of counterparts, and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Guarantors have executed this instrument effective September 18, 2012.

William J. Branstrom, III, an individual

Robert C. Collett, an individual



Robert D. Stearns, as Trustee of the Robert Stearns Trust dated May 17, 2000

("Guarantors")

RATIFICATION BY HOSPITAL TRUST

THIS ADDENDUM is executed by the MIDWEST CITY MEMORIAL HOSPITAL AUTHORITY, a public trust (the "Hospital Trust"), and attached as an integral part of the foregoing Loan Agreement (the "Loan Agreement"), of even date, executed by SOONER TOWN CENTER II, L.L.C., an Oklahoma limited liability company (the "Borrower"), and FIRST NATIONAL BANK, a national banking association (the "Lender"). Unless otherwise defined herein, the words bearing initial capital letters are intended to have the meanings defined in Schedule "A" to the Loan Agreement.

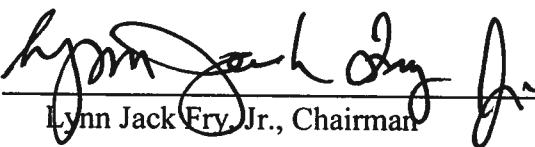
A G R E E M E N T S:

In consideration of the agreements by the Lender to extend credit to the Borrower on the terms described in the Loan Agreement and the benefits to be derived by the Hospital Trust therefrom and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Hospital Trust hereby represents to and agrees with the Lender as follows:

1. Consent. The Hospital Trust has examined and hereby consents to the Borrower's execution and delivery of each of the Loan Documents executed by the Borrower.
2. Mortgage and Lease Assignment. The Hospital Trust agrees to execute and deliver to Lender the Mortgage and Lease Assignment in the forms of Schedules "D" and "F", respectively, attached to the Loan Agreement.

IN WITNESS WHEREOF, the Hospital Trust has executed this instrument effective September 18, 2012.

MIDWEST CITY MEMORIAL HOSPITAL
AUTHORITY, a public trust

By: 
Lynn Jack Fry, Jr., Chairman

Rules of Construction

Unless otherwise provided in the Agreement: (a) the words bearing initial capital letters set forth in this Schedule "A" are intended to have the meanings hereafter provided; (b) words imparting the singular include the plural and vice versa; (c) words imparting a gender include either gender; (d) a reference to a statute, ordinance or law includes all modifications of and regulations applicable to such statute, ordinance or law; (e) a reference to a document includes all amendments, restatements and modifications of such document; (f) a reference to a person includes such person's heirs, personal representatives, successor and permitted assigns; (g) a reference to an entity which is not a natural person includes such entity's successors and permitted assigns; (h) a reference to "days" means calendar days unless "business days" are specified; (i) if the date by which any right, option or payment is to be exercised or made is a date which is not a business day, such right, option or payment will be exercisable on the next succeeding business day; (j) "hereunder," "hereto," "hereof," "herein" and words of similar import are intended to refer to the entire document to which they refer and are not intended to be limited to a specific provision of the document unless the context otherwise requires; (k) a reference to "including" is not intended to limit the generality of the description preceding such term and the rule of *ejusdem generis* is not intended to be used to limit a general statement followed by an enumeration of specific matters; (l) exhibits, schedules and other attachments to this Agreement and all other documents are part of the document; (m) the words "include" "includes" and "including" will be deemed to be followed by the phrase "without implied limitation;" (n) the word "will" is intended to have the same meaning and effect as the word "shall;" and (o) the parties to this Agreement have been represented by legal counsel who have participated in drafting the Agreement and the parties do not intend for the provisions of this Agreement to be construed against the person drafting such provision.

Defined Terms

1. Architects. Omega Design Architecture, P.C., 2000 Regency Parkway, Suite 475, Cary, North Carolina 27518 (for the portion of the Project to be subject to the Dick's Lease), and Goppold Architecture, 1111 Metropolitan Avenue, Suite 725, Charlotte, North Carolina 28204 (for the portion of the Project to be subject to the Office Depot Lease and the McAlister's Lease).
2. Architectural Contract Assignment. The documents to be executed by the Borrower and each Architect and delivered to the Lender in substantially the form and containing the terms which appear as Schedule "H" and all renewals, extensions and modifications thereof.
3. Agreement. This Loan Agreement and all extensions, renewals and modifications hereof.
4. Borrower. Sooner Town Center II, L.L.C., an Oklahoma limited liability company.
5. Bridge Loan. The unsecured loan from the Lender to the Borrower in the principal amount of \$2,000,000.00 pursuant to loan documents dated June 14, 2012, the outstanding balance of which is to be refinanced by the Loan.

6. Budget. The estimate of the cost of constructing, financing and occupying the Project prepared by the Borrower and approved by the Lender and all amendments thereto approved by the Lender.
7. Center. The mixed-use development constructed by STC I and others known as "Sooner Town Center" that contains multiple buildings for retail, restaurant, office and hotel uses, to be expanded to include the Project as built.
8. City. The City of Midwest City, an Oklahoma municipal corporation.
9. Collateral. The property described in the Loan Documents and all other property which is the subject of a mortgage lien, security interest, collateral assignment or other encumbrance now held or hereafter granted by the Borrower or the Hospital Trust to the Lender to secure payment of the Loan and all increases, replacements and substitutions therefor, additions and accessions thereto and proceeds and products thereof.
10. Construction Contract Assignment. The document to be executed by the Borrower and the General Contractor and delivered to the Lender in substantially the form and containing the terms which appear as Schedule "I" and all extensions, renewals and modifications thereof.
11. Construction Period. The term beginning on the date of this Agreement and ending on August 10, 2013.
12. Default. The occurrence of any Event of Default and the determination by the Lender that the Lender will exercise the remedies available to the Lender by reason thereof.
13. Dick's. Dick's Sporting Goods, Inc., a Delaware corporation.
14. Dick's Lease. The lease agreement dated March 1, 2012, as most recently amended by a Third Amendment dated July ___, 2012 between the Borrower and Dick's for occupancy by Dick's of approximately 50,000 square feet of the building to be constructed on the Site for operation of a retail sporting goods store.
15. Event of Default. The occurrence of an event specified in Section 8 of this Agreement.
16. Environmental Law. Any federal, state or local law, statute, ordinance, code, rule, regulation, order or decree, now or hereafter in effect, pertaining to health, air pollution, water pollution, noise control, waste transportation or disposal, Hazardous Substances, industrial hygiene or the environment.
17. Financing Statement. Uniform Commercial Code financing statements naming the Borrower and the Hospital Trust as "Debtors" and the Lender as "Secured Party" to be filed to perfect security interests granted in the Collateral, and all continuations and amendments thereof.

18. General Contract. The contract executed by the Borrower and the General Contractor for grading, construction of infrastructure and other work in preparation for construction of buildings on the Site, and the construction of a building, parking lots, drives and other improvements on the Site.
19. General Contractor. T. D. Farrell Construction, Inc., 530 Staghorn Court, Alpharetta, Georgia 30004.
20. Ground Lease. The Westside General Ground Lease covering Parcel 1 of the Site dated June 1, 2012 between the Hospital Trust as Lessor and the Borrower as Lessee.
21. Ground Sublease. The Ground Sublease Agreement covering Parcel 2 of the Site dated July 19, 2012 between STC I as Landlord and the Borrower as Tenant.
22. Guarantors. William J. Branstrom III, an individual, Robert C. Collett, an individual, and Robert D. Stearns, as Trustee of the Robert Stearns Trust dated May 17, 2000.
23. Guaranty Agreement. The documents executed and to be executed by the Guarantors to grant to the Lender unconditional, limited, joint and several guaranties of the Borrower's payment of the Loan and the performance of all obligations of the Borrower under the Loan Documents in substantially the form and containing the terms which appear as Schedule "G" and all extensions, renewals and modifications thereof.
24. Hazardous Substance(s). Those substances included within the definition of "hazardous substances," "hazardous materials," "toxic substances" or "solid waste" in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, the Resource Conservation and Recovery Act of 1976, as amended, the Hazardous Materials Transportation Act, 49 U.S.C. §§ 1801 *et seq*; those substances listed in the United States Department of Transportation Table (49 CFR 172.101, as amended) or by the Environmental Protection Agency (or any successor agency) as hazardous substances (40 CFR Part 302, as amended); those substances designated as a "hazardous substance" pursuant to § 311 of the Clean Water Act, as amended, or listed pursuant to the Clean Water Act; such other substances, materials and wastes which are or become regulated under applicable federal, state or local law, statute, ordinance or regulation now or hereafter enacted which are or become classified as hazardous or toxic; and any material, waste or substance which is a petroleum product, asbestos, polychlorinated biphenyl, flammable material, explosive or radioactive material.
25. Hospital Trust. The Midwest City Memorial Hospital Authority, a public trust.
26. Lease Assignments. The documents executed by the Borrower and Hospital Trust and delivered to the Lender in the forms and containing the terms which appear as Schedules "E" and "F", respectively, and all extensions, renewals and modifications thereof.
27. Leases. All agreements in the nature of leases, subleases, rental contracts, licenses, permits, franchises, concessions and other arrangements relating to the use or occupancy of the Project or the Site; all rents, receipts, revenues, deposits, income, issues and profits relating thereto; all guarantees

of the performance of the tenants thereunder; all proceeds payable under any policy of insurance maintained by the Borrower or any other occupant of the Project; all rights, claims, causes of action and demands which the Borrower might now or hereafter have against any tenant, subtenant, assignee or other occupant of the Project or the Site; and all records and pertinent correspondence relating thereto.

28. Lender. First National Bank, a national banking association, and its participating lenders.

29. LIBOR Rate. The one month London Interbank Offered Rate as reported on www.bankrate.com, or if such rate ceases to be used or reported, an alternative similar index designated by the Lender.

30. Loan. The extension of credit having an outstanding principal amount not to exceed \$9,136,970.00 made by the Lender to the Borrower pursuant to the terms of this Agreement and all extensions, renewals, increases, consolidations and modifications hereof.

31. Loan Commitment. The letter stating the terms under which the Lender was willing to make the Loan dated March 28, 2012, which was accepted by the Borrower on April 5, 2012.

32. Loan Documents. This Agreement, the Note, the Mortgages, the Lease Assignments, the Architectural Contract Assignments, the Construction Contract Assignment, the Guaranty Agreements, the Financing Statements, the Nonforeign Affidavit, all documents issued pursuant thereto, all other documents delivered by the Borrower or any other person to the Lender in connection with the Loan and all extensions, renewals and modifications thereof.

33. Lowe's ECCR. The Easements, Covenants, Conditions and Restrictions dated December 20, 2004 between Lowe's Home Centers, Inc., a North Carolina corporation, and STC I, as amended by the Site Development Agreement dated December 20, 2004 between Lowe's and STC I, and as further amended by a First Amendment to Easements, Covenants, Conditions and Restrictions dated _____, 2012 among Lowe's Home Centers, Inc., STC I and the Borrower.

34. McAlister's. Bothwell-Saxton Restaurants, LLC, an Oklahoma limited liability company, dba McAlister's Deli.

35. McAlister's Lease. The lease agreement between the Borrower and McAlister's for occupancy by McAlister's of approximately 3,600 square feet of the building to be located on Site and operation of a deli restaurant.

36. Mortgages. The documents executed by the Borrower and Hospital Trust and delivered to the Lender in the forms and containing the terms which appear as Schedules "C" and "D", respectively, and all extensions, renewals and modifications thereof.

37. Note. The document executed by the Borrower and delivered to the Lender to evidence all cash advances made by the Lender to the Borrower in the form and containing the terms which appear as Schedule "B" and all extensions, renewals and modifications thereof.

38. Office Depot. Office Depot, Inc., a Delaware corporation.
39. Office Depot Lease. The lease agreement between the Borrower and Dick's for occupancy by Dick's of approximately 15,400 square feet of the building to be constructed on the Site for operation of a retail office supply store.
40. Permanent Period. A term commencing on the day following the expiration of the Construction Term and ending on the Maturity Date.
41. Permitted Title Exceptions. The matters affecting title to the Collateral which are described as exceptions to coverage in the Title Policy and subleases of portions of the Project approved by the Lender.
42. Plans and Specifications. The plans, drawings and specifications for construction of the Project prepared by the Architects and approved by the Borrower, the General Contractor and the Lender as modified with the approval of the Lender.
43. Project. The building, parking lot and drives to be constructed by the Borrower on the Site as an expansion to the Center on the Site, which lies north of Southeast 29th Street and east of Air Depot Boulevard in Midwest City, Oklahoma.
44. Redevelopment Agreements. The Midwest City Downtown Redevelopment Agreement dated January 28, 2003 between the Hospital Trust and STC I; the Midwest City Downtown Redevelopment Anchor Ground Lease dated April 13, 2004 between the Hospital Trust and STC I, as amended; the Midwest City Downtown Redevelopment General Ground Lease dated October 26, 2004 between the Hospital Trust and STC I, as amended; the Storm Water Drainage Easement Agreement dated December 17, 2004 among the City, the Hospital Trust and STC I; the Master Declaration of Easements, Covenants and Restrictions dated December 17, 2004 between the Hospital Trust and STC I; the Assignment of the Midwest City Downtown Redevelopment Agreement and Any and All of the Project Assets and Related Agreements Pertaining to the Midwest City Downtown Redevelopment Project by the Midwest City Memorial Hospital Authority to the City of Midwest City dated January 24, 2005 executed by the Hospital Trust, accepted by the City and approved by STC I; the Amended Midwest City Downtown Redevelopment Agreement dated March 24, 2005 between the City and the Borrower as amended by the First Amendment to the Amended Midwest City Downtown Redevelopment Agreement dated February 22, 2005; and all other agreements between STC I, the Borrower and the City or the Hospital Trust relating to the Project, together with any amendments, modifications or extensions of any of the foregoing agreements.
45. Site. The real property and appurtenances thereto described on Exhibit "A" attached to the Mortgages, comprised of Parcel 1 subject to the Ground Lease containing an area of 3.7783 acres, more or less, and Parcel 2 subject to the Ground Sublease, containing 2.2349 acres, more or less.
46. STC I. Sooner Town Center, L.L.C., an Oklahoma limited liability company.

47. Title Insurer. First American Title Insurance Company, 501 North Walker, Suite 170, Oklahoma City, Oklahoma 73102.

48. Title Policy. The ALTA Loan Policy of title insurance to be provided by the Title Insurer to the Lender.

49. Treasury Rate. The semi-annual yield on securities issued by the United States Treasury having a five (5) year maturity rounded upwards to the nearest whole multiple of one-sixteenth of one percent (1/16%) out to the nearest thousandth *per annum*, as determined by Lender, based on the most recently issued five (5) year Treasury, commonly referred to as the Five Year "on the run" Treasury Rate, as reported on www.bankrate.com on the first (1st) day of the Permanent Period, or, if not quoted on such date, the last preceding day prior thereto on which such yields are quoted. As long as such information is available on www.bankrate.com or a successor website or database, it shall be used to compute the Treasury Rate. If the necessary information shall cease to be available on www.bankrate.com, then Lender shall determine the Treasury Rate on such basis as Lender shall deem advisable, in its sole discretion

Schedule "B"

PROMISSORY NOTE

\$9,136,970.00

Midwest City, Oklahoma
September __, 2012

FOR VALUE RECEIVED, SOONER TOWN CENTER II, L.L.C., an Oklahoma limited liability company (the "Borrower"), promises to pay to the order of FIRST NATIONAL BANK, its successors and assigns (the "Lender"), at P.O. Box 10400, Midwest City, Oklahoma 73140, or at such other place as might be designated in writing by the Lender, the principal sum of NINE MILLION ONE HUNDRED THIRTY SIX THOUSAND NINE HUNDRED SEVENTY DOLLARS (\$9,136,970.00), or so much thereof as has been disbursed by the Lender and remains unpaid, together with interest thereon as follows:

During the Construction Period, this Note will bear interest on the unpaid principal balance accrued from each date of disbursement at that rate which is equal to three percent (3%) per annum in excess of the LIBOR Rate calculated on the actual days elapsed based on a per diem charge computed over a year composed of three hundred sixty (360) days. The rate of interest will be adjusted during the Construction Period effective on the first day of the month following each change in the LIBOR Rate. The LIBOR Rate is currently zero and 23/100 percent (0.23 %) per annum and the Borrower acknowledges that this Note will bear interest at an initial rate of three and 23/100 percent (3.23 %) per annum until the date of a change in the LIBOR Rate.

During the Permanent Period, the Note will bear interest on the unpaid principal balance accrued from each date of disbursement at a fixed rate of interest equal to three percent (3%) per annum in excess of the Treasury Rate but not less than four and one-half percent (4.50%) in any event, calculated on the actual days elapsed based on a per diem charge computed over a year composed of three hundred sixty (360) days.

Principal and interest will be paid as follows: During the Construction Period, interest on the amounts disbursed, accrued from the date of disbursement through the tenth (10th) day of each month, will be paid on the tenth (10th) day of each month. During the Permanent Period, installments of principal and interest on the total amount disbursed under this Note in an amount based on a twenty five (25) year amortization will be paid monthly on the tenth (10th) day of each month commencing October 10, 2013. On September 10, 2018, the entire unpaid principal balance and all accrued but unpaid interest thereon will be due and payable.

This Note is issued by the Borrower and accepted by the Lender pursuant to the terms of a commitment letter issued by the Lender on March 28, 2012 and accepted by the Borrower on April 5, 2012 (the "Loan Commitment"), and is subject to the terms of a Loan Agreement of even date herewith (the "Loan Agreement"). Payment of the indebtedness hereby evidenced is secured by a certain Mortgage, Security Agreement and Financing Statement and a Lease Assignment executed by Borrower, a certain Mortgage, Security Agreement and Financing

Statement and a Lease Assignment executed by Midwest City Memorial Hospital Authority, certain Limited Guaranty Agreements and other documents executed by the Borrower and its affiliates in favor of the Lender (which documents together with the Loan Commitment, the Loan Agreement and this Note are hereafter called the "Loan Documents"). Upon the occurrence of an Event of Default and the failure to cure within the applicable cure period set forth in the Loan Agreement, at the option of the Lender, the entire indebtedness evidenced by this Note will become immediately due, payable and collectible then or thereafter as the Lender might elect, regardless of the date of maturity of this Note. Failure by the Lender to exercise such option will not constitute a waiver of the right to exercise the same on the occurrence of any subsequent event of default.

The Borrower will have the right at any time and from time to time to prepay the unpaid principal balance of this Note in whole or in part without premium or penalty, but with interest on the unpaid principal balance accrued to the date of prepayment.

Advances and payments under this Note may, at the option of the Lender, be recorded on this Note or by deposits and withdrawals from an account maintained by the Borrower on deposit with the Lender and will be prima facie evidence of such advances, payments and the unpaid balance of this Note. All advances under this Note will be made by the Lender in accordance with the terms of the Loan Agreement.

The Borrower agrees that if, and as often as, an attorney is engaged to collect, defend or enforce any of the Lender's rights under the Loan Documents or otherwise relating to the indebtedness hereby evidenced, the Borrower will pay the Lender's reasonable attorneys' fees, all court costs and all other expenses incurred by the Lender in connection therewith.

The Lender may collect a late charge equal to five percent (5%) of each monthly payment which is not received by the Lender within ten (10) days after each payment due date. Such late charge may be collected without prejudice to the rights of the Lender to collect any other amounts arising from the Borrower's failure to make timely payment. To the extent the Lender does not elect to collect a late charge, at the option of the Lender, after the occurrence of any event of default, the unpaid balance of this Note will bear interest at that rate which is equal to five percent (5%) per annum in excess of the applicable rate stated above and interest which has accrued will be paid at the time of and as a condition precedent to curing any default. During the existence of any default, the Lender may apply payments received on any amount due hereunder or under the terms of any instrument now or hereafter evidencing or securing payment of this indebtedness as the Lender determines from time to time.

This Note is issued by the Borrower and accepted by the Lender pursuant to a lending transaction negotiated, consummated and to be performed in Midwest City, Oklahoma County, Oklahoma. This Note is to be construed according to the laws of the State of Oklahoma applicable to contracts to be performed entirely within the State of Oklahoma by parties who are residents of the State of Oklahoma. All actions with respect to the Loan Documents may be instituted in the courts of the State of Oklahoma or the United States District Court sitting in

Oklahoma City, Oklahoma, as the Lender may elect from time to time. By the execution of this Note, the Borrower irrevocably and unconditionally submits to the jurisdiction (both subject matter and personal) of each such court and irrevocably and unconditionally waives: (a) any objection the Borrower might now or hereafter have to the venue in any such court; and (b) any claim that any action or proceeding brought in any such court has been brought in an inconvenient forum.

The makers, endorsers, sureties, guarantors and all other persons who might become liable for all or any part of this obligation severally waive presentment for payment, protest and notice of nonpayment. Such parties consent to any extension of time (whether one or more) of payment hereof, release of all or any part of the collateral securing payment hereof or release of any party liable for the payment of this obligation. Any such extension or release may be made without notice to any such party and without discharging such party's liability hereunder.

IN WITNESS WHEREOF, the Borrower has executed this document to be effective the date first above written.

SOONER TOWN CENTER II, L.L.C., an
Oklahoma limited liability company

By: _____
Robert C. Collett, Manager

Schedule "C"

Return recorded instrument to:

MORTGAGE, SECURITY AGREEMENT
AND FINANCING STATEMENT

A POWER OF SALE HAS BEEN GRANTED IN THIS MORTGAGE. A POWER OF SALE MAY ALLOW THE MORTGAGEE TO TAKE THE MORTGAGED PROPERTY AND SELL IT WITHOUT GOING TO COURT IN A FORECLOSURE ACTION UPON DEFAULT BY THE MORTGAGOR UNDER THIS MORTGAGE.

THIS MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT (the "Mortgage") is made effective the ____ day of September, 2012, by SOONER TOWN CENTER II, L.L.C., an Oklahoma limited liability company, having a notice address at P.O. Box 9199, Morganton, North Carolina 28680-9119 (the "Borrower"), in favor of FIRST NATIONAL BANK, having a notice address at P.O. Box 10400, Midwest City, Oklahoma 73140 (the "Lender").

R E C I T A L S:

Pursuant to a Loan Agreement of even date herewith (the "Loan Agreement"), the Borrower is justly indebted to the Lender in the sum of NINE MILLION ONE HUNDRED THIRTY SIX THOUSAND NINE HUNDRED SEVENTY DOLLARS (\$9,136,970.00) with interest thereon, according to the terms of a certain Promissory Note (the "Note") bearing even date herewith, having a final maturity on September 10, 2018.

A G R E E M E N T S:

To secure to the Lender the payment of the aforesaid indebtedness, with interest thereon, the payment of all other moneys owing by the Borrower to the Lender and the performance of the covenants and agreements herein contained, the Borrower does hereby grant, bargain, sell, convey and mortgage unto the Lender and to the Lender's successors and assigns:

1.1 Real Estate: All of the Borrower's right, title, interest and estate in, to and under (hereafter called the "Ground Leases"):

1.1.1 Ground Lease. That certain agreement (the "Parcel 1 Ground Lease") between the Borrower, as lessee, and the Midwest City Memorial Hospital Authority, a public trust (the "Landlord"), as lessor, dated effective June

1, 2012, a memorandum of which Parcel 1 Ground Lease is recorded in Book _____ at Page _____ of the records of Oklahoma County, Oklahoma, covering the real property located in Oklahoma County, State of Oklahoma, described as Parcel 1 on attached Exhibit "A".

1.1.2 Ground Sublease. That certain agreement (the "Parcel 2 Ground Sublease") between the Borrower, as tenant, and Sooner Town Center, L.L.C., an Oklahoma limited liability company (the "Sublandlord"), as landlord, dated effective July 19, 2012, a memorandum of which Parcel 2 Ground Sublease is recorded in Book _____ at Page _____ of the records of Oklahoma County, Oklahoma, covering the real property located in Oklahoma County, State of Oklahoma, described as Parcel 2 on attached Exhibit "A".

1.1.3 Appurtenances. Together with all tenements, privileges, rights, easements, hereditaments and appurtenances thereunto belonging; all right, title and interest of the Borrower in and to any streets, alleys, ramps, passages, abutter's rights and other rights-of-way included therein or adjacent thereto; and all water, mineral, subsurface and other rights of the Borrower under the Ground Lease and the Ground Sublease.

1.2 Improvements: All buildings, improvements and related facilities, together with all systems, facilities, fixtures, machinery, equipment and conduits to provide fire protection, security, heat, exhaust, ventilation, air conditioning, electrical power, light, plumbing, refrigeration, gas, sewer, water and other services thereto (including all replacements or additions thereto) located on Parcel 1 described on attached Exhibit "A".

1.3 Tangible Personal Property: All goods, chattels, goods to become fixtures, mobile goods, machinery, equipment, tools, appliances, fixtures, furniture, furnishings, trade fixtures, window treatments, floor coverings, certificates of title, documents, books, business records, customer lists, files, correspondence, manuals, software, computer disks and programs, appraisal reports, drawings, plans, specifications, diagrams, soil reports, environmental reports, other architectural or engineering work product and other tangible personal property used or useable in the construction, renovation, ownership, management, marketing or operation of the above described real estate and improvements or any part thereof, and all replacements, additions or accessions thereto.

1.4 Intangible Personal Property: All intangible personal property used or useable in connection with the construction, renovation, ownership, management, marketing or operation of the above described real estate and improvements or any part thereof, and all replacements, additions or accessions thereto, including without implied limitation: all of the Borrower's right, title and interest in all logos, designs, trade names, trademarks, service marks, copyrights and other intellectual property; all licenses, franchises, certifications, authorizations, approvals and permits issued or approved by any governmental authority or other person, including, without implied limitation,

certificates of occupancy, occupancy permits, building permits, sign permits, environmental permits, elevator permits, machinery permits, business licenses, ingress and egress permits; all rent, deposits and other sums paid for the use or occupancy of the property herein described; all insurance policies, proceeds, prepaid premiums, uncollected claims and all rights relating thereto; all utility, security and other deposits and reserve accounts made as security for the fulfillment of any obligation of the Borrower or any affiliate of the Borrower in connection with the property herein described; all accounts, deposit accounts, escrow accounts, accounts receivable, matured and unmatured claims, chattel paper, royalties, causes of action and condemnation awards; all written or oral service, maintenance, operating, repair and other contract rights and commitments; equipment leases, conditional sale contracts and all rights and options of the Borrower thereunder, including, without implied limitation, rights to renew or extend the term or purchase the leased equipment; and guaranties and warranties and other assurances of performance; and all written or oral: agreements with contractors, materialmen, laborers, managers and other persons providing for the construction, renovation or installation of all or portions of the property herein described, together with all payment and/or performance bonds, insurance policies, certificates and other assurances relating thereto; agreements with architects and engineers for architectural and engineering design and supervision services; and agreements with all other contractors, engineers, architects, property managers, brokers, professionals and consultants entered into by the Borrower or any predecessor in title to the Borrower.

1.5 Occupancy Leases: All agreements in the nature of leases, subleases, rental contracts, licenses, permits, franchises, concessions and other agreements relating to the use or occupancy of the property herein described; all rents, receipts, revenues, deposits, income, issues and profits; all guaranties of the performance of the tenants thereunder; all proceeds payable under any policy of insurance against loss of rents or business interruption; all rights, claims, causes of action and demands which the Borrower might now or hereafter have against any tenant, subtenant, assignee or other occupant of the property herein described; and all records and pertinent correspondence relating thereto (the "Occupancy Leases").

1.6 Proceeds: All future additions to, replacements of, substitutions for and proceeds and products of any of the foregoing items.

together with all the tenements, hereditaments and appurtenances thereof including, without implied limitation, all easement rights, connections to water, sanitary sewer and drainage facilities, connections to telephone, electric and gas lines, connections to streets and/or roads and all other rights to ingress, egress and use granted to the Borrower by the Ground Leases or otherwise; all buildings and other improvements now or hereafter constructed thereon; all fixtures, equipment, machinery, apparatus and articles of personal property of every kind and character now owned or hereafter acquired by the Borrower and now or hereafter located in or used for the operation and maintenance of the aforesaid improvements; and all general intangibles and goods to become fixtures now owned or hereafter acquired by the Borrower and used or useful in the ownership, operation, management or maintenance of the real property and improvements herein described, including, without implied limitation, all leases, rents, royalties,

insurance policies and proceeds thereof, escrow accounts, condemnation awards and all future additions to, replacements of, substitutions for and proceeds and products of any of the foregoing items (all of which property is hereafter called the "Collateral"). The above described real estate, appurtenances, improvements and Collateral are hereafter collectively called the "Mortgaged Premises" and are hereby declared to be subject to the lien of this Mortgage as security for the payment of the indebtedness herein described.

TO HAVE AND TO HOLD the Mortgaged Premises unto the Lender and the Lender's successors and assigns, forever. The Borrower covenants that the Borrower is seized of a leasehold estate in the Mortgaged Premises, that the Borrower has a good right to sell, convey and mortgage the same, that the Mortgaged Premises are free and clear of all general and special taxes, liens, charges and encumbrances of every kind and character and that the Borrower hereby warrants and will forever defend the title thereto against the claims of all other persons.

1. Payment of Debt. If the Borrower pays the indebtedness herein described and performs all other agreements contained in this Mortgage and the other documents herein described, the Borrower will be entitled to request and receive a release of this Mortgage.

2. Maintenance; Waste. With respect to the Mortgaged Premises, the Borrower agrees: to keep the same in good condition and repair; to pay all general and special taxes, assessments and other charges which might be levied or assessed against the same as they become due and to furnish to the Lender receipts showing payment of any such taxes and assessments, if demanded; to pay all debts for repair or improvements now existing or hereafter arising which might become liens against the Mortgaged Premises; to comply with or cause to be complied with all requirements of any governmental authority relating to the Mortgaged Premises; to promptly repair, restore, replace or rebuild any part of the Mortgaged Premises which might be damaged or destroyed by any casualty whatsoever or which might be affected by any condemnation proceeding or exercise of powers of eminent domain; and to promptly notify the Lender of any damage to the Mortgaged Premises in excess of Fifty Thousand Dollars (\$50,000.00). The Borrower further agrees that the Borrower will not: commit or suffer to be committed any waste of the Mortgaged Premises; initiate, join in or consent to any change in any private restrictive covenant, zoning ordinance or other public or private restriction limiting or defining the uses which can be made of the Mortgaged Premises or any part thereof; permit any lien or encumbrance of any kind to accrue or remain against the Mortgaged Premises or any part thereof (whether or not such lien or encumbrance takes precedence over the lien of this Mortgage).

3. Insurance. The Borrower agrees to keep the Mortgaged Premises insured for the benefit of the Lender against loss or damage by fire, lightning, windstorm, hail, explosion, riot, riot attending a strike, civil commotion, aircraft, vehicles and smoke and (when and to the extent insurance against war risks is obtainable from the United States of America or an agency thereof) against war risks, all in amounts approved by the Lender not exceeding 100% of full insurable value, and when and to the extent required by the Lender, against any other risk insured against by persons operating like properties in the locality of the Mortgaged Premises. All insurance herein required will be in form and issued by companies approved by the Lender. Regardless of the types or amounts of insurance required and approved by the Lender, the Borrower will assign

to the Lender all policies of insurance which insure against any loss or damage to the Mortgaged Premises and will deliver certificates of insurance for such policies, as Collateral and further security for the payment of the indebtedness secured by this Mortgage, with loss payable to the Lender pursuant to the Oklahoma standard mortgagee clause. If the Lender, by reason of such insurance, receives any money for loss or damage, such amount may, at the option of the Lender but subject to the Borrower's obligations, if any, to rebuild or repair under the Ground Leases, be retained and applied by the Lender toward payment of the indebtedness hereby secured or be paid over wholly or in part to the Borrower for the repair of said buildings or for the erection of new buildings in their place, or for any other purpose or object satisfactory to the Lender, but the Lender will not be obligated to see to the proper application of any amount paid over to the Borrower. Not less than ten (10) days prior to the expiration dates of each policy of insurance required hereunder, the Borrower will deliver to the Lender a renewal policy or policies of insurance accompanied by evidence of premium payment satisfactory to the Lender. In the event of a foreclosure of this Mortgage, the purchaser of the Mortgaged Premises will succeed to all the rights of the Borrower in and to all policies of insurance assigned or delivered to the Lender pursuant to the provisions of this Mortgage including any right to unearned premiums.

4. Alterations. No building or other property now or hereafter subject to the lien of this Mortgage will be removed, demolished or materially altered without the prior written consent of the Lender, except that the Borrower will have the right, without such consent, to remove from time to time such Collateral as becomes worn or obsolete, provided that either: (a) simultaneously with or prior to such removal, any such Collateral is replaced with other Collateral of a value at least equal to that of the replaced Collateral and free from any title retention device, security agreement or other encumbrance, and by such removal or replacement, the Borrower will be deemed to have subjected such Collateral to the lien of this Mortgage; or (b) any net cash proceeds received from such disposition is promptly paid to the Lender to be applied to the last installments due on the indebtedness hereby secured, without any charge for prepayment.

5. Default; Remedies. On the failure of the Borrower, within the applicable cure period, if any, set forth in the Loan Agreement, to pay any of the taxes, assessments, debts, liens or other charges as the same become due, except for taxes which are being contested in good faith and for which adequate reserves have been provided, or to insure the Mortgaged Premises or deliver the policies of insurance as herein provided, or to perform any of the Borrower's agreements herein contained, the Lender is hereby authorized, at the Lender's option, to insure the Mortgaged Premises, or any part thereof, and to pay the costs of such insurance, and to pay such taxes, assessments, debts, liens or other charges, or any part thereof, and to remedy the Borrower's failure to perform hereunder and to pay the costs associated therewith, and the Borrower agrees to refund on demand all sums so paid, with interest thereon at a rate equal to the greater of five percent (5%) per annum in excess of the minimum interest rate stated in the Note or eighteen percent (18%) per annum; and any such sums so paid together with interest thereon will become a part of the indebtedness hereby secured; provided, however, that the retention of a lien hereunder for any sum so paid will not constitute a waiver of subrogation or substitution which the Lender might otherwise have. On the occurrence of an Event of Default (as defined in the Loan Agreement) and the failure to cure within the applicable cure period, if any, set forth in the Loan Agreement, the Lender may either: (a) declare the principal of the Note, all interest

accrued thereon and all other sums hereby secured, without deduction and without notice, to be immediately due, and the Lender will be entitled to foreclose this Mortgage by judicial proceeding; or (b) after any notice to the Borrower required by the Oklahoma Power of Sale Mortgage Foreclosure Act ("OPSMFA"), declare the principal of the Note, all interest accrued thereon and all other sums hereby secured, without deduction, to be immediately due, and the Lender will be entitled to foreclose this Mortgage by power of sale pursuant to the provisions of the OPSMFA. The Borrower hereby confers on the Lender and grants to the Lender the power to sell the Mortgaged Premises pursuant to the OPSMFA. On default, the Lender will be entitled to exercise all further and additional remedies as might now or hereafter be accorded to the Lender at law or in equity. Whether the Lender elects to foreclose this Mortgage by judicial proceeding or by power of sale, the Lender will, immediately on the occurrence of an event of default be entitled to the possession of the Mortgaged Premises and the rents and profits thereof, and will be entitled to have a receiver appointed to take possession of the Mortgaged Premises without notice (which notice the Borrower hereby waives) and without the obligation of the Lender to demonstrate cause for such appointment of a receiver, notwithstanding anything contained in this Mortgage or any law heretofore or hereafter enacted.

6. Taxes; Expenses. The Borrower agrees to pay any and all taxes which are levied or assessed directly or indirectly against the Note, this Mortgage and the indebtedness hereby secured, and further agrees to pay all expenses incurred in connection with the creation of the indebtedness hereby secured, without regard to any law which might be hereafter enacted imposing payment of the whole or any part thereof on the Lender. The additional amounts which might become due hereunder will be regarded as part of the indebtedness secured by this Mortgage. This paragraph will not apply to any amount to be paid under the present Oklahoma real estate mortgage tax which the Lender agrees to pay.

7. Expenses of Collection. If, and as often as, this Mortgage or the Note is placed in the hands of an attorney for collection, or to protect the priority or validity of this Mortgage, or to prosecute or defend any suit affecting the Mortgaged Premises, or to enforce or defend any of the Lender's rights hereunder, the Borrower agrees to pay the Lender's reasonable attorney's fees, together with all court costs or other disbursements relating to the Mortgaged Premises, which sums will be secured hereby.

8. Appraisalment. Appraisalment of the Mortgaged Premises is hereby expressly waived, or not, at the option of the Lender, such option to be exercised at the time judgment is rendered in any judicial foreclosure proceeding, or at any time prior thereto.

9. Condemnation Awards. The Borrower agrees that if at any time all or any portion of the Mortgaged Premises is taken under the power of eminent domain or by transfer in lieu thereof, any payment received by reason thereof will be paid directly to the Lender and all or any portion of such award or payment, at the option of the Lender but subject to the Ground Leases, will be applied to the indebtedness hereby secured in payment of the last maturing installments of the indebtedness or paid over, wholly or in part, to the Borrower for the purpose of altering, restoring or rebuilding any part of the Mortgaged Premises which might have been altered, damaged or destroyed as a result of any such taking or damage, or for any other purpose or object satisfactory to the Lender; provided that the Lender will not be obligated to see to the

application of any amount paid over to the Borrower. The Borrower immediately on obtaining knowledge of the institution of any proceedings or negotiations for the condemnation of the Mortgaged Premises, or any portion thereof, will notify the Lender of the pendency of such negotiations or proceedings. The Lender will have the right to participate in any such negotiations or proceedings, and the Borrower from time to time will execute and deliver to the Lender all instruments requested by the Lender to permit such participation.

10. Certificate. The Borrower agrees to certify to the Lender or to any proposed assignee of this Mortgage, the amount of principal and interest then owing on this Mortgage and whether any offsets or defenses exist against the indebtedness hereby secured, within thirty (30) days after the receipt of each such request.

11. Notice. Any notice, demand or communication required or permitted to be given by any provision of this Mortgage will be in writing and will be deemed to have been given when delivered personally or by telefacsimile (with a hard copy sent within one [1] business day by any other means described in this paragraph) to the party designated to receive such notice, or on the date following the day sent by overnight courier, or on the third (3rd) business day after the same is sent by certified mail, postage and charges prepaid, directed to the addresses shown above or to such other or additional addresses as any party might designate by written notice to the other party.

12. Inspection. The Lender and any person authorized by the Lender will have the right to enter and inspect the Mortgaged Premises at all reasonable times during normal business hours.

13. Payment by Others. Any payment made in accordance with the terms of this Mortgage by any person at any time liable for the payment of the whole or any part of the indebtedness now or hereafter secured by this Mortgage, or by any subsequent owner of the Mortgaged Premises, or by any other person whose interest in the Mortgaged Premises might be prejudiced in the event of a failure to make such payment, or by any stockholder, officer or director of a corporation or any partner of a partnership or trustee or beneficial owner of a trust which at any time might be liable for such payment or owns or has an interest in the Mortgaged Premises, will be deemed, as between the Lender and all such persons who at any time might be liable as aforesaid or own the Mortgaged Premises, to have been made on behalf of the Borrower.

14. No Waiver. Any failure by the Lender to insist on the strict performance by the Borrower of any of the terms and provisions hereof will not be deemed to be a waiver of any of the terms and provisions hereof, and the Lender, notwithstanding any such failure, will have the right thereafter to insist on the strict performance by the Borrower of any and all of the provisions of this Mortgage to be performed by the Borrower. Neither the Borrower nor any other person now or hereafter obligated for the payment of the whole or any part of the indebtedness now or hereafter secured by this Mortgage will be relieved of such obligation by reason of the failure of the Lender to comply with any request of the Borrower or of any other person so obligated to take action to foreclose this Mortgage or otherwise enforce any of the provisions of this Mortgage or of any obligations secured by this Mortgage, or by reason of the

release, regardless of consideration, of the whole or any part of the security held for the indebtedness secured by this Mortgage, or by reason of any agreement or stipulation between any subsequent owner or owners of the Mortgaged Premises and the Lender extending, from time to time, the time of payment or modifying the terms of the Note or this Mortgage without first having obtained the consent of the Borrower or such other person, and in the latter event, the Borrower and all such other persons will continue to be liable to make such payments according to the terms of any such agreement of extension or modification unless expressly released and discharged in writing by the Lender. Regardless of consideration, and without the necessity for any notice to or consent by the holder of any subordinate lien against the Mortgaged Premises, the Lender may release the obligation of anyone at any time liable for any of the indebtedness secured by this Mortgage or any part of the security held for such indebtedness and may from time to time extend the time of payment or otherwise modify the terms of the Note and/or this Mortgage without, as to the security for the remainder thereof, in any way impairing or affecting the lien of this Mortgage or the priority of such lien as security for the payment of the indebtedness as it might be so extended or modified, over any subordinate lien. The holder of any subordinate lien will have no right to terminate any Occupancy Lease affecting the Mortgaged Premises whether or not such Occupancy Lease is subordinate to this Mortgage. The Lender may resort for the payment of indebtedness hereby secured to any other security therefor held by the Lender in such order and manner as the Lender might elect from time to time.

15. Cumulative Remedies. The rights of the Lender arising under the provisions of this Mortgage will be separate, distinct and cumulative and no provisions will be in exclusion of any other provision. No act of the Lender will be construed as an election to proceed under any one provision to the exclusion of any other provision, anything herein or otherwise to the contrary notwithstanding.

16. Security Interest. This Mortgage is intended to constitute a security agreement and a financing statement in accordance with the Oklahoma Uniform Commercial Code, as amended from time to time, with respect to the Collateral and all other property described herein which is not a part of the real property described herein.

16.1 Assembly of Collateral. On default hereunder and acceleration of the indebtedness pursuant to the provisions hereof, the Lender may at the Lender's discretion require the Borrower to assemble the Collateral and make the Collateral available to the Lender at the Mortgaged Premises which is hereby designated a place reasonably convenient to both parties.

16.2 Notice of Sale. The Lender agrees to give the Borrower written notice of the time and place of any public sale of any of the Collateral or of the time after which any private sale or other intended disposition thereof is to be made by sending notice to the Borrower at least ten (10) days before the time of the sale or other disposition, which provisions for notice the Borrower agrees are reasonable.

16.3 Additional Documents. The Borrower will from time to time within ten (10) days after request by the Lender execute, acknowledge and deliver any financing statement, renewal affidavit, certificate or continuation statement that the Lender might

request in order to protect, preserve, continue, extend or maintain the security interest under and the priority of this Mortgage and will, on demand, pay any reasonable expenses incurred by the Lender in the preparation, execution and filing of any such documents.

17. Impound Accounts. Following the occurrence of an event of default, together with and in addition to each installment of principal and interest payable under the terms of the Note, the Borrower agrees to pay to the Lender a pro rata portion of the taxes, assessments and insurance premiums next to become due, as estimated by the Lender, so that the Lender will have sufficient funds on hand to pay said taxes, assessments and insurance premiums thirty (30) days before the maturity date thereof. Any deficit in such payments will immediately be paid to the Lender by the Borrower. Moneys so held will not bear interest, and on default, will be first applied by the Lender to the payment of taxes, assessments and insurance premiums with any balance remaining to be applied on account of the indebtedness hereby secured. It will be the responsibility of the Borrower to furnish the Lender with bills in sufficient time to pay the taxes and assessments before penalty attaches and the insurance premiums before the policies lapse.

18. Prohibited Acts. The Borrower will not: (a) sell (including, without implied limitation, the execution of one or more installment sale contracts or contracts for deed), convey, mortgage or otherwise transfer or encumber all or any part of the Mortgaged Premises; or (b) create or suffer to exist any security interest, chattel mortgage or title retention device covering all or any part of the Collateral. The occurrence of any of the aforesaid events without the Lender's prior written approval will constitute a default hereunder.

19. Leasehold Mortgage. The Borrower as lessee under the Ground Leases covenants and agrees as follows:

19.1 Performance of Ground Leases. To promptly perform and observe or cause to be performed and observed all of the terms, covenants and conditions required to be performed and observed by the Borrower under both of the Ground Leases and to do or cause to be done all things necessary to preserve and keep unimpaired the Borrower's rights under both of the Ground Leases; to promptly (in any event within ten [10] days after the occurrence thereof) notify the Lender of the receipt of any notice from the lessor under either of the Ground Leases claiming that the Borrower is in default in the performance or observance of any of the terms, covenants or conditions thereof to be performed or observed by the Borrower; to cause a copy of each such notice from such lessor to be promptly delivered to the Lender; to correct or cause to be corrected any such default within the time provided in the Ground Leases for correction thereof by the Borrower.

19.2 Borrower's Estate. If the Borrower acquires the fee simple title or any other estate or interest in Parcel 1 described on attached Exhibit "A", such acquisition will not merge the leasehold estate created by either of the Ground Leases, but such other estate or interest will immediately become subject to the lien of this Mortgage, and the Borrower agrees to execute, acknowledge and deliver any instruments which the Lender

might reasonably request to accomplish the purposes hereof immediately on the request of the Lender therefor.

19.3 Option to Cure Default. On receipt by the Lender from the lessor under either of the Ground Leases of any notice of default by the Borrower thereunder, the Lender may rely thereon and take any such action as the Lender deems necessary or desirable to cure such default, even though the existence of such default or the nature thereof is questioned or denied by the Borrower or by any party on behalf of the Borrower. The Borrower hereby expressly grants to the Lender the absolute and immediate right to enter the premises subject to either of the Ground Leases or any part thereof to such extent and as often as the Lender in its sole discretion deems necessary or desirable in order to prevent or cure any such default by the Borrower.

19.4 No Modification. The Borrower will not surrender the leasehold estate created by either of the Ground Leases, nor terminate nor cancel either of the Ground Leases, and the Borrower will not, without the express written consent of the Lender, modify, change, supplement, alter or amend either of the Ground Leases, either orally or in writing, and as security for the payment of the indebtedness hereby secured and for the performance of the covenants herein contained, the Borrower hereby assigns to the Lender all of the Borrower's rights and privileges as lessee under both of the Ground Leases to terminate, cancel, modify, change, supplement, alter, amend either of the Ground Leases. Any such termination, cancellation, modification, change, supplement, alteration, amendment of either of the Ground Leases without the prior written consent thereto by the Lender will be void and of no force and effect.

19.5 No Release. No release or forbearance of any of the Borrower's obligations under either of the Ground Leases, pursuant to either of the Ground Leases or otherwise, will release the Borrower from any of the Borrower's obligations under this Mortgage, including the Borrower's obligations with respect to the payment of rent as provided in either of the Ground Leases and the performance of all of the terms, provisions, covenants, conditions and agreements contained in both of the Ground Leases to be performed by the Borrower thereunder.

19.6 No Merger. Anything herein contained to the contrary notwithstanding, it is agreed that the leasehold interest of the Borrower under both of the Ground Leases and the interest and estate of the fee owner and lessor under both of the Ground Leases will at all times remain separate and apart and retain their separate identities, and no merger of the leasehold estate of the Borrower with the estate in fee of the owner and lessor will result with respect to the Lender or with respect to any purchaser acquiring the Mortgaged Premises at any sale on foreclosure of the leasehold estate encumbered by this Mortgage without the written consent of the Lender.

19.7 Ground Lease Extension. If the indebtedness of the Borrower herein described remains outstanding as of the first day of any period during which the Borrower may exercise an option to renew and extend the term either of the Ground Leases, the Borrower will exercise such option in accordance with the terms of either of

the Ground Leases within five (5) days after the initial option exercise date; provided, however, that the Borrower may pay in full the indebtedness of the Borrower herein described, in which case the Borrower will have no obligation hereunder to extend either of the Ground Leases. If the Borrower fails to exercise such option within five (5) days after the initial option exercise date, the Borrower irrevocably grants to the Lender the option to exercise the option to extend the term of either of the Ground Leases in the Borrower's name.

20. Subrogation. To the extent funds are advanced under the Note hereby secured for the purpose of paying the indebtedness secured by any lien or encumbrance having priority over the lien of this Mortgage, the Lender will be subrogated to any and all rights, superior titles, liens and equities owned or claimed by the holder of such prior lien or encumbrance.

21. Governing Law. This Mortgage will be construed according to the internal laws of the State of Oklahoma. All actions with respect to this Mortgage or the other instruments securing payment of the Note may be instituted in the courts of the State of Oklahoma sitting in Oklahoma County, Oklahoma, or the United States District Court sitting in Oklahoma City, Oklahoma, as the Lender might elect, and by execution and delivery of this Mortgage, the Borrower irrevocably and unconditionally submits to the jurisdiction (both subject matter and personal) of each such court and irrevocably and unconditionally waives: (a) any objection the undersigned might now or hereafter have to the venue in any of such courts; and (b) any claim that any action or proceeding brought in any of such courts has been brought in an inconvenient forum.

22. Future Advancements. This Mortgage will secure the payment of the Note, including any and all advancements made by the Lender thereunder and under the Loan Agreement, and any and all additional indebtedness of the Borrower to the Lender whether or not incurred or becoming payable under the provisions hereof and whether as future advancements or otherwise, together with any increases, renewals, modifications, rearrangements, consolidations or extensions of the Note, the Loan Agreement or other indebtedness.

23. Environmental Compliance. The Borrower agrees that the Borrower will not use, generate, manufacture, produce, store, release, discharge, or dispose of on, under or about the Mortgaged Premises or transport to or from the Mortgaged Premises any Hazardous Substance (as hereafter defined) or allow any other person to do so. The Borrower agrees to keep and maintain the Mortgaged Premises in compliance with, and not to cause or permit the Mortgaged Premises to be in violation of, any Environmental Law (as hereafter defined). The Borrower agrees to give prompt written notice to the Lender of: (a) any proceeding or inquiry by any governmental authority with respect to the presence of any Hazardous Substance on the Mortgaged Premises or the migration thereof from or to other property; (b) all claims made or threatened by any third party against the Borrower or the Mortgaged Premises relating to any loss or injury resulting from any Hazardous Substance; and (c) the Borrower's discovery of any occurrence or condition on the Mortgaged Premises or on any real property adjoining or in the vicinity of the Mortgaged Premises that could cause the Mortgaged Premises or any part thereof to be subject to any restrictions on the ownership, occupancy, transferability or use of the Mortgaged Premises under any Environmental Law. The Lender will have the right to join and

participate in, as a party if the Lender so elects, any legal proceedings or actions initiated in connection with any Environmental Law and have the Lender's attorneys' fees in connection therewith paid by the Borrower. The Borrower agrees to protect, indemnify and hold harmless the Lender, the Lender's directors, officers, employees, agents, successors and assigns against all loss, damage, cost, expense or liability (including attorneys' fees and costs) directly or indirectly arising out of or attributable to the use, generation, manufacture, production, storage, release, threatened release, discharge, disposal or presence of a Hazardous Substance on, under or about the Mortgaged Premises including, without implied limitation: (i) all foreseeable consequential damages; and (ii) the costs of any required or necessary repair, cleanup or detoxification of the Mortgaged Premises and the preparation and implementation of any closure, remedial or other required plan. This indemnity will survive the release of this Mortgage or the extinguishment of the lien by foreclosure, exercise of a power of sale or action in lieu thereof. If any investigation, site monitoring, containment, cleanup, removal, restoration or other remedial work of any kind or nature (the "Remedial Work") is reasonably necessary or desirable under any applicable local, state or federal law or regulation, any judicial order, or by any governmental or nongovernmental entity or person because of, or in connection with, the current or future presence, suspected presence, release or suspected release of a Hazardous Substance on or into the air, soil, groundwater, surface water or soil vapor at, on, about, under or within the Mortgaged Premises (or any portion thereof), the Borrower agrees within thirty (30) days after written demand for performance thereof by the Lender (or such shorter period of time as might be required under any applicable law, regulation, order or agreement), to commence, or cause to be commenced, and thereafter diligently prosecute or cause to be prosecuted to completion, all such Remedial Work. All Remedial Work will be performed by one or more contractors approved by the Lender under the supervision of a consulting engineer approved by the Lender. All costs and expenses of such Remedial Work will be paid by the Borrower including, without implied limitation, the charges of such contractor(s) and consulting engineer(s), and the Lender's reasonable attorneys' fees and costs incurred in connection with monitoring or review of such Remedial Work. If the Borrower fails to timely commence, or cause to be commenced, or fails to diligently prosecute or cause to be prosecuted to completion, such Remedial Work, the Lender may, but will not be required to, cause such Remedial Work to be performed and all costs and expenses thereof, or incurred in connection therewith, will become part of the indebtedness hereby secured. The term "Environmental Laws" means any federal, state or local law, statute, ordinance or regulation pertaining to health, industrial hygiene or the environmental conditions on, under or about the Mortgaged Premises. The term "Hazardous Substance" will include without implied limitation: (i) Those substances included within the definitions of "hazardous substances," "hazardous materials," "toxic substances" or "solid waste" by any Environmental Law; (ii) those substances, materials and wastes which are or become regulated under any applicable Environmental Law; and (iii) any material, waste or substance which is petroleum, asbestos, polychlorinated biphenyls, flammable, explosive or radioactive.

24. Mortgage as Assignment of Leases and Rents. As additional and further security for the payment of the indebtedness secured hereby, the Borrower hereby grants, bargains, sells, conveys and assigns to the Lender: all leases, whether now existing or hereafter arising; all rents, receipts, revenues, income, issues and profits now or hereafter payable to or received by the Borrower thereunder, including, without implied limitation, minimum rent, percentage rent, additional rent, reimbursements for taxes, insurance premiums, maintenance or operating

expenses; all guarantees of the performance of the lessees thereunder; all of the Borrower's rights thereunder; all proceeds now or hereafter payable to the Borrower under any policy of insurance against loss of rents relating to the Mortgaged Premises; and all rights, claims and demands which the Borrower might now or hereafter have against any tenant, subtenant, assignee or other occupant of the Mortgaged Premises; together with full and complete authority and right in the Lender in case of default in payment of the indebtedness hereby secured or any part thereof or failure to comply with any of the terms and conditions of the Loan Agreement, the Note or this Mortgage, to demand, collect, receive and receipt for such rents, income and profits, to take possession of the Mortgaged Premises without having a receiver appointed therefor, to rent and manage the same from time to time, and to apply the net proceeds of such rents, income and profits in payment of the indebtedness hereby secured until such indebtedness is paid in full or until title is obtained through foreclosure, by exercise of the power of sale or otherwise. The Lender will not be obligated to perform or discharge any obligation under any of the leases by reason of this assignment.

25. Mortgage by Landlord. Borrower acknowledges that the Landlord under the Parcel 1 Ground Lease has executed and delivered to Lender a Mortgage, Security Agreement and Financing Statement of even date herewith (the "Landlord Mortgage") to further secure the indebtedness secured by this Mortgage and covering its fee simple interest in the real property described as Parcel 1 in attached Exhibit "A", which Landlord Mortgage is recorded in Book _____ at Page _____ of the records of Oklahoma County, Oklahoma. Borrower agrees that as between it and the Landlord, that the Borrower shall be liable and responsible for the performance of all obligations of the Landlord under the Landlord Mortgage.

26. Construction. Wherever used in this Mortgage: the word "Mortgage" means "this instrument and all increases, extensions, modifications, renewals, consolidations and amendments hereof"; the word "Occupancy Lease" means "any agreement between the Borrower as lessor and any other person for the use, occupancy or possession of all or any part of the Mortgaged Premises"; the words "Mortgaged Premises" mean "the items of real and personal property now owned or hereafter acquired by the Borrower to the extent described herein and all future additions to, increases of, replacements and substitutions for and proceeds and products thereof"; the word "Lender" means "the person named herein as Lender or any subsequent holder or holders of this Mortgage"; the word "Borrower" means "the then owner or owners of an interest in the Mortgaged Premises and such persons' legal representatives, successors and permitted assigns"; the word "Note" means "the Promissory Note described herein, payment of which is secured by this Mortgage and all increases, extensions, modifications, renewals, consolidations and amendments thereof"; and the word "person" means "any individual, corporation, partnership, association, trust, joint venture or any government or agency or political subdivision thereof." The paragraph headings of this Mortgage are included for convenience in reference and are not intended to define, limit or modify the terms of this Mortgage. If any provision of this Mortgage is held to be invalid, illegal or unenforceable in any respect or application, for any reason, such invalidity, illegality or unenforceability will not affect the other provisions herein contained, and such other provisions will remain in full force and effect. This Mortgage is intended to create rights between the Borrower and the Lender and is not intended to confer rights on any other person or to constitute such person a third party beneficiary hereunder.

Schedule "D"

Return recorded instrument to:

MORTGAGE, SECURITY AGREEMENT
AND FINANCING STATEMENT

A POWER OF SALE HAS BEEN GRANTED IN THIS MORTGAGE. A POWER OF SALE MAY ALLOW THE MORTGAGEE TO TAKE THE MORTGAGED PROPERTY AND SELL IT WITHOUT GOING TO COURT IN A FORECLOSURE ACTION UPON DEFAULT BY THE MORTGAGOR UNDER THIS MORTGAGE.

THIS MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT (the "Mortgage") is made effective the ____ day of September, 2012, by MIDWEST CITY MEMORIAL HOSPITAL AUTHORITY, a public trust, having a notice address at 100 Midwest Boulevard, Midwest City, Oklahoma 73110, Attention: City Attorney (the "Grantor"), in favor of FIRST NATIONAL BANK, having a notice address at P.O. Box 10400, Midwest City, Oklahoma 73140 (the "Lender").

R E C I T A L S :

Pursuant to a Loan Agreement of even date herewith (the "Loan Agreement"), Sooner Town Center II, L.L.C., an Oklahoma limited liability company (the "Borrower"), is justly indebted to the Lender in the sum of NINE MILLION ONE HUNDRED THIRTY SIX THOUSAND NINE HUNDRED SEVENTY DOLLARS (\$9,136,970.00) with interest thereon, according to the terms of a certain Promissory Note (the "Note") bearing even date herewith, having a final maturity on September 10, 2018.

For good and valuable consideration, including but not limited to the benefits to be derived by the Grantor from the loan made to Borrower pursuant to the Note, the receipt and sufficiency of which are hereby acknowledged, the Grantor has agreed to execute and deliver this Mortgage in favor of the Lender.

A G R E E M E N T S :

To secure to the Lender the payment of the aforesaid indebtedness, with interest thereon, the payment of all other moneys owing by the Borrower to the Lender and the performance of the covenants and agreements herein contained, the Grantor does hereby grant, bargain, sell, convey and mortgage unto the Lender and to the Lender's successors and assigns:

1.1 Real Estate: Fee simple title to real property located in Oklahoma County, Oklahoma described on attached Exhibit "A", together with all tenements, privileges, rights, easements, hereditaments and appurtenances thereunto belonging; all right, title and interest of the Grantor in and to any streets, alleys, ramps, passages, abutter's rights and other rights-of-way included therein or adjacent thereto; and all water, mineral, subsurface and other rights of the Grantor.

1.2 Improvements: All buildings, improvements and related facilities on the above-described real estate, together with all systems, facilities, fixtures, machinery, equipment and conduits to provide fire protection, security, heat, exhaust, ventilation, air conditioning, electrical power, light, plumbing, refrigeration, gas, sewer, water and other services thereto (including all replacements or additions thereto).

1.3 Tangible Personal Property: All goods, chattels, goods to become fixtures, mobile goods, machinery, equipment, tools, appliances, fixtures, furniture, furnishings, trade fixtures, window treatments, floor coverings, certificates of title, documents, books, business records, customer lists, files, correspondence, manuals, software, computer disks and programs, appraisal reports, drawings, plans, specifications, diagrams, soil reports, environmental reports, other architectural or engineering work product and other tangible personal property used or useable in the construction, renovation, ownership, management, marketing or operation of the above described real estate and improvements or any part thereof, and all replacements, additions or accessions thereto.

1.4 Intangible Personal Property: All intangible personal property used or useable in connection with the construction, renovation, ownership, management, marketing or operation of the above described real estate and improvements or any part thereof, and all replacements, additions or accessions thereto, including without implied limitation: all of the Grantor's right, title and interest in all logos, designs, trade names, trademarks, service marks, copyrights and other intellectual property; all licenses, franchises, certifications, authorizations, approvals and permits issued or approved by any governmental authority or other person, including, without implied limitation, certificates of occupancy, occupancy permits, building permits, sign permits, environmental permits, elevator permits, machinery permits, business licenses, ingress and egress permits; all rent, deposits and other sums paid for the use or occupancy of the property herein described; all insurance policies, proceeds, prepaid premiums, uncollected claims and all rights relating thereto; all utility, security and other deposits and reserve accounts made as security for the fulfillment of any obligation of the Grantor or Borrower or any affiliate of the Grantor or Borrower in connection with the property herein described; all accounts, deposit accounts, escrow accounts, accounts receivable, matured and unmatured claims, chattel paper, royalties, causes of action and condemnation awards; all written or oral service, maintenance, operating, repair and other contract rights and commitments; equipment leases, conditional sale contracts and all rights and options of the Grantor or Borrower thereunder, including, without implied limitation, rights to renew or extend the term or purchase the leased equipment; and

guaranties and warranties and other assurances of performance; and all written or oral: agreements with contractors, materialmen, laborers, managers and other persons providing for the construction, renovation or installation of all or portions of the property herein described, together with all payment and/or performance bonds, insurance policies, certificates and other assurances relating thereto; agreements with architects and engineers for architectural and engineering design and supervision services; and agreements with all other contractors, engineers, architects, property managers, brokers, professionals and consultants entered into by the Grantor or Borrower or any predecessor in title to the Grantor.

1.5 Occupancy Leases: All agreements in the nature of leases, subleases, rental contracts, licenses, permits, franchises, concessions and other agreements relating to the use or occupancy of the property herein described, including without limitation that certain ground lease between Borrower, as lessee, and Grantor, as lessor, dated effective June 1, 2012, a memorandum of which ground lease is recorded in Book _____ at Page _____ of the records of Oklahoma County, Oklahoma; all rents, receipts, revenues, deposits, income, issues and profits; all guaranties of the performance of the tenants thereunder; all proceeds payable under any policy of insurance against loss of rents or business interruption; all rights, claims, causes of action and demands which the Grantor might now or hereafter have against any tenant, subtenant, assignee or other occupant of the property herein described; and all records and pertinent correspondence relating thereto (the "Occupancy Leases").

1.6 Proceeds: All future additions to, replacements of, substitutions for and proceeds and products of any of the foregoing items.

together with all the tenements, hereditaments and appurtenances thereof including, without implied limitation, all easement rights, connections to water, sanitary sewer and drainage facilities, connections to telephone, electric and gas lines, connections to streets and/or roads and all other rights to ingress, egress and use granted to the Grantor or otherwise; all buildings and other improvements now or hereafter constructed thereon; all fixtures, equipment, machinery, apparatus and articles of personal property of every kind and character now owned or hereafter acquired by the Grantor now or hereafter located in or used for the operation and maintenance of the aforesaid improvements; and all general intangibles and goods to become fixtures now owned or hereafter acquired by the Grantor and used or useful in the ownership, operation, management or maintenance of the above described real estate and improvements herein described, including, without implied limitation, all leases, rents, royalties, insurance policies and proceeds thereof, escrow accounts, condemnation awards and all future additions to, replacements of, substitutions for and proceeds and products of any of the foregoing items (all of which property is hereafter called the "Collateral"). The above described real estate, appurtenances, improvements and Collateral are hereafter collectively called the "Mortgaged Premises" and are hereby declared to be subject to the lien of this Mortgage as security for the payment of the indebtedness herein described.

TO HAVE AND TO HOLD the Mortgaged Premises unto the Lender and the Lender's successors and assigns, forever. The Grantor covenants that, except as stated in

paragraph 2 of this Mortgage, the Grantor is seized of an indefeasible estate in fee simple in the Mortgaged Premises, that the Grantor has a good right to sell, convey and mortgage the same, that the Mortgaged Premises are free and clear of all general and special taxes, liens, charges and encumbrances of every kind and character and that the Grantor hereby warrants and will forever defend the title thereto against the claims of all other persons.

1. Payment of Debt. If the Borrower pays the indebtedness herein described and performs all other agreements contained in this Mortgage and the other documents herein described, the Grantor will be entitled to request and receive a release of this Mortgage.

2. Maintenance; Waste. With respect to the Mortgaged Premises, the Grantor agrees: to keep the same in good condition and repair; to pay all general and special taxes, assessments and other charges which might be levied or assessed against the same as they become due and to furnish to the Lender receipts showing payment of any such taxes and assessments, if demanded; to pay all debts for repair or improvements now existing or hereafter arising which might become liens against the Mortgaged Premises; to comply with or cause to be complied with all requirements of any governmental authority relating to the Mortgaged Premises; to promptly repair, restore, replace or rebuild any part of the Mortgaged Premises which might be damaged or destroyed by any casualty whatsoever or which might be affected by any condemnation proceeding or exercise of powers of eminent domain; and to promptly notify the Lender of any damage to the Mortgaged Premises in excess of Fifty Thousand Dollars (\$50,000.00). The Grantor further agrees that the Grantor will not: commit or suffer to be committed any waste of the Mortgaged Premises; initiate, join in or consent to any change in any private restrictive covenant, zoning ordinance or other public or private restriction limiting or defining the uses which can be made of the Mortgaged Premises or any part thereof; permit any lien or encumbrance of any kind to accrue or remain against the Mortgaged Premises or any part thereof (whether or not such lien or encumbrance takes precedence over the lien of this Mortgage) except the matters described as exceptions to coverage in the Loan Policy of Title Insurance delivered to the Lender insuring the lien created by this Mortgage.

3. Insurance. The Grantor agrees to keep the Mortgaged Premises insured for the benefit of the Lender against loss or damage by fire, lightning, windstorm, hail, explosion, riot, riot attending a strike, civil commotion, aircraft, vehicles and smoke and (when and to the extent insurance against war risks is obtainable from the United States of America or an agency thereof) against war risks, all in amounts approved by the Lender not exceeding 100% of full insurable value, and when and to the extent required by the Lender, against any other risk insured against by persons operating like properties in the locality of the Mortgaged Premises. All insurance herein required will be in form and issued by companies approved by the Lender. Regardless of the types or amounts of insurance required and approved by the Lender, the Grantor will assign to the Lender all policies of insurance which insure against any loss or damage to the Mortgaged Premises and will deliver certificates of insurance for such policies, as Collateral and further security for the payment of the indebtedness secured by this Mortgage, with loss payable to the Lender pursuant to the Oklahoma standard mortgagee clause. If the Lender, by reason of such insurance, receives any money for loss or damage, such amount may, at the option of the Lender, be retained and applied by the Lender toward payment of the indebtedness hereby secured or be paid over wholly or in part to the Grantor for the repair of said buildings or for the erection of

new buildings in their place, or for any other purpose or object satisfactory to the Lender, but the Lender will not be obligated to see to the proper application of any amount paid over to the Grantor. Not less than ten (10) days prior to the expiration dates of each policy of insurance required hereunder, the Grantor will deliver to the Lender a renewal policy or policies of insurance accompanied by evidence of premium payment satisfactory to the Lender. In the event of a foreclosure of this Mortgage, the purchaser of the Mortgaged Premises will succeed to all the rights of the Grantor in and to all policies of insurance assigned or delivered to the Lender pursuant to the provisions of this Mortgage including any right to unearned premiums.

4. Alterations. No building or other property now or hereafter subject to the lien of this Mortgage will be removed, demolished or materially altered without the prior written consent of the Lender, except that the Grantor will have the right, without such consent, to remove from time to time such Collateral as becomes worn or obsolete, provided that either: (a) simultaneously with or prior to such removal, any such Collateral is replaced with other Collateral of a value at least equal to that of the replaced Collateral and free from any title retention device, security agreement or other encumbrance, and by such removal or replacement, the Grantor will be deemed to have subjected such Collateral to the lien of this Mortgage; or (b) any net cash proceeds received from such disposition is promptly paid to the Lender to be applied to the last installments due on the indebtedness hereby secured, without any charge for prepayment.

5. Default; Remedies. On the failure of the Borrower or Grantor, within the applicable cure period, if any, set forth in the Loan Agreement, to pay any of the taxes, assessments, debts, liens or other charges as the same become due, except for taxes which are being contested in good faith and for which adequate reserves have been provided, or to insure the Mortgaged Premises or deliver the policies of insurance as herein provided, or to perform any of the Grantor's agreements herein contained, the Lender is hereby authorized, at the Lender's option, to insure the Mortgaged Premises, or any part thereof, and to pay the costs of such insurance, and to pay such taxes, assessments, debts, liens or other charges, or any part thereof, and to remedy the Grantor's failure to perform hereunder and to pay the costs associated therewith, and the Grantor agrees to refund on demand all sums so paid, with interest thereon at a rate equal to the greater of five percent (5%) per annum in excess of the minimum interest rate stated in the Note or eighteen percent (18%) per annum; and any such sums so paid together with interest thereon will become a part of the indebtedness hereby secured; provided, however, that the retention of a lien hereunder for any sum so paid will not constitute a waiver of subrogation or substitution which the Lender might otherwise have. On the occurrence of an Event of Default (as defined in the Loan Agreement) and the failure to cure within the applicable cure period, if any, set forth in the Loan Agreement, the Lender may either: (a) declare the principal of the Note, all interest accrued thereon and all other sums hereby secured, without deduction and without notice, to be immediately due, and the Lender will be entitled to foreclose this Mortgage by judicial proceeding; or (b) after any notice to the Grantor required by the Oklahoma Power of Sale Mortgage Foreclosure Act ("OPSMFA"), declare the principal of the Note, all interest accrued thereon and all other sums hereby secured, without deduction, to be immediately due, and the Lender will be entitled to foreclose this Mortgage by power of sale pursuant to the provisions of the OPSMFA. The Grantor hereby confers on the Lender and grants to the Lender the power to sell the Mortgaged Premises pursuant to the OPSMFA. On default, the Lender will

be entitled to exercise all further and additional remedies as might now or hereafter be accorded to the Lender at law or in equity. Whether the Lender elects to foreclose this Mortgage by judicial proceeding or by power of sale, the Lender will, immediately on the occurrence of an event of default be entitled to the possession of the Mortgaged Premises and the rents and profits thereof, and will be entitled to have a receiver appointed to take possession of the Mortgaged Premises without notice (which notice the Grantor hereby waives) and without the obligation of the Lender to demonstrate cause for such appointment of a receiver, notwithstanding anything contained in this Mortgage or any law heretofore or hereafter enacted.

6. Taxes; Expenses. The Grantor agrees to pay any and all taxes which are levied or assessed directly or indirectly against the Note, this Mortgage and the indebtedness hereby secured, and further agrees to pay all expenses incurred in connection with the creation of the indebtedness hereby secured, without regard to any law which might be hereafter enacted imposing payment of the whole or any part thereof on the Lender. The additional amounts which might become due hereunder will be regarded as part of the indebtedness secured by this Mortgage. This paragraph will not apply to any amount to be paid under the present Oklahoma real estate mortgage tax which the Lender agrees to pay.

7. Expenses of Collection. If, and as often as, this Mortgage or the Note is placed in the hands of an attorney for collection, or to protect the priority or validity of this Mortgage, or to prosecute or defend any suit affecting the Mortgaged Premises, or to enforce or defend any of the Lender's rights hereunder, the Grantor agrees to pay the Lender's reasonable attorney's fees, together with all court costs or other disbursements relating to the Mortgaged Premises, which sums will be secured hereby.

8. Appraisalment. Appraisalment of the Mortgaged Premises is hereby expressly waived, or not, at the option of the Lender, such option to be exercised at the time judgment is rendered in any judicial foreclosure proceeding, or at any time prior thereto.

9. Sale in Parcels. In any sale under this Mortgage by virtue of judicial proceedings, by power of sale or otherwise, the Mortgaged Premises may be sold in one parcel and as an entirety or in such parcels, manner or order as the Lender in the Lender's discretion might elect from time to time, and the Grantor waives any and all rights which the Grantor might now or hereafter have to request that the Mortgaged Premises be sold in one parcel or in separate parcels.

10. Condemnation Awards. The Grantor agrees that if at any time all or any portion of the Mortgaged Premises is taken under the power of eminent domain or by transfer in lieu thereof, any payment received by reason thereof will be paid directly to the Lender and all or any portion of such award or payment, at the option of the Lender, will be applied to the indebtedness hereby secured in payment of the last maturing installments of the indebtedness or paid over, wholly or in part, to the Grantor for the purpose of altering, restoring or rebuilding any part of the Mortgaged Premises which might have been altered, damaged or destroyed as a result of any such taking or damage, or for any other purpose or object satisfactory to the Lender; provided that the Lender will not be obligated to see to the application of any amount paid over to the Grantor. The Grantor immediately on obtaining knowledge of the institution of any

proceedings or negotiations for the condemnation of the Mortgaged Premises, or any portion thereof, will notify the Lender of the pendency of such negotiations or proceedings. The Lender will have the right to participate in any such negotiations or proceedings, and the Grantor from time to time will execute and deliver to the Lender all instruments requested by the Lender to permit such participation.

11. Notice. Any notice, demand or communication required or permitted to be given by any provision of this Mortgage will be in writing and will be deemed to have been given when delivered personally or by telefacsimile (with a hard copy sent within one [1] business day by any other means described in this paragraph) to the party designated to receive such notice, or on the date following the day sent by overnight courier, or on the third (3rd) business day after the same is sent by certified mail, postage and charges prepaid, directed to the addresses shown above or to such other or additional addresses as any party might designate by written notice to the other party.

12. Inspection. The Lender and any person authorized by the Lender will have the right to enter and inspect the Mortgaged Premises at all reasonable times during normal business hours.

13. Payment by Others. Any payment made in accordance with the terms of this Mortgage by any person at any time liable for the payment of the whole or any part of the indebtedness now or hereafter secured by this Mortgage, or by any subsequent owner of the Mortgaged Premises, or by any other person whose interest in the Mortgaged Premises might be prejudiced in the event of a failure to make such payment, or by any stockholder, officer or director of a corporation or any partner of a partnership or trustee or beneficial owner of a trust which at any time might be liable for such payment or owns or has an interest in the Mortgaged Premises, will be deemed, as between the Lender and all such persons who at any time might be liable as aforesaid or own the Mortgaged Premises, to have been made on behalf of the Borrower.

14. No Waiver. Any failure by the Lender to insist on the strict performance by the Grantor of any of the terms and provisions hereof will not be deemed to be a waiver of any of the terms and provisions hereof, and the Lender, notwithstanding any such failure, will have the right thereafter to insist on the strict performance by the Grantor of any and all of the provisions of this Mortgage to be performed by the Grantor. Neither the Grantor nor Borrower nor any other person now or hereafter obligated for the payment of the whole or any part of the indebtedness now or hereafter secured by this Mortgage will be relieved of such obligation by reason of the failure of the Lender to comply with any request of the Grantor or Borrower or of any other person so obligated to take action to foreclose this Mortgage or otherwise enforce any of the provisions of this Mortgage or of any obligations secured by this Mortgage, or by reason of the release, regardless of consideration, of the whole or any part of the security held for the indebtedness secured by this Mortgage, or by reason of any agreement or stipulation between any subsequent owner or owners of the Mortgaged Premises and the Lender extending, from time to time, the time of payment or modifying the terms of the Note or this Mortgage without first having obtained the consent of the Grantor or Borrower or such other person, and in the latter event, the Borrower and all such other persons will continue to be liable to make such

payments according to the terms of any such agreement of extension or modification unless expressly released and discharged in writing by the Lender. Regardless of consideration, and without the necessity for any notice to or consent by the holder of any subordinate lien against the Mortgaged Premises, the Lender may release the obligation of anyone at any time liable for any of the indebtedness secured by this Mortgage or any part of the security held for such indebtedness and may from time to time extend the time of payment or otherwise modify the terms of the Note and/or this Mortgage without, as to the security for the remainder thereof, in any way impairing or affecting the lien of this Mortgage or the priority of such lien as security for the payment of the indebtedness as it might be so extended or modified, over any subordinate lien. The holder of any subordinate lien will have no right to terminate any Occupancy Lease affecting the Mortgaged Premises whether or not such Occupancy Lease is subordinate to this Mortgage. The Lender may resort for the payment of indebtedness hereby secured to any other security therefor held by the Lender in such order and manner as the Lender might elect from time to time.

15. Cumulative Remedies. The rights of the Lender arising under the provisions of this Mortgage will be separate, distinct and cumulative and no provisions will be in exclusion of any other provision. No act of the Lender will be construed as an election to proceed under any one provision to the exclusion of any other provision, anything herein or otherwise to the contrary notwithstanding.

16. Security Interest. This Mortgage is intended to constitute a security agreement and a financing statement in accordance with the Oklahoma Uniform Commercial Code, as amended from time to time, with respect to the Collateral and all other property described herein which is not a part of the real property described herein.

16.1 Assembly of Collateral. On default hereunder and acceleration of the indebtedness pursuant to the provisions hereof, the Lender may at the Lender's discretion require the Grantor to assemble the Collateral and make the Collateral available to the Lender at the Mortgaged Premises which is hereby designated a place reasonably convenient to both parties.

16.2 Notice of Sale. The Lender agrees to give the Grantor written notice of the time and place of any public sale of any of the Collateral or of the time after which any private sale or other intended disposition thereof is to be made by sending notice to the Grantor at least ten (10) days before the time of the sale or other disposition, which provisions for notice the Grantor agrees are reasonable.

16.3 Additional Documents. The Grantor will from time to time within ten (10) days after request by the Lender execute, acknowledge and deliver any financing statement, renewal affidavit, certificate or continuation statement that the Lender might request in order to protect, preserve, continue, extend or maintain the security interest under and the priority of this Mortgage and will, on demand, pay any reasonable expenses incurred by the Lender in the preparation, execution and filing of any such documents.

17. Impound Accounts. Following the occurrence of an event of default, together with and in addition to each installment of principal and interest payable under the terms of the Note, the Grantor agrees to pay to the Lender a pro rata portion of the taxes, assessments and insurance premiums next to become due, as estimated by the Lender, so that the Lender will have sufficient funds on hand to pay said taxes, assessments and insurance premiums thirty (30) days before the maturity date thereof. Any deficit in such payments will immediately be paid to the Lender by the Grantor. Moneys so held will not bear interest, and on default, will be first applied by the Lender to the payment of taxes, assessments and insurance premiums with any balance remaining to be applied on account of the indebtedness hereby secured. It will be the responsibility of the Grantor to furnish the Lender with bills in sufficient time to pay the taxes and assessments before penalty attaches and the insurance premiums before the policies lapse.

18. Occupancy Leases. With respect to all existing and future Occupancy Leases, the Grantor agrees: (a) to faithfully perform the Grantor's covenants as landlord under each Occupancy Lease and neither do, nor neglect to do, nor permit to be done, anything (other than pursuing the enforcement of the terms of such Occupancy Lease in the exercise of the landlord's remedies thereunder following default on the part of any tenant) which might cause the modification or termination of any Occupancy Lease, or of the obligations of any tenant or any person claiming through such tenant, or which might diminish or impair the value of any Lease or the rents provided for therein, or the interest of the Grantor or Lender therein or thereunder; (b) to permit no assignment of any Occupancy Lease or any subletting thereunder, unless the right to sublet or assign is expressly reserved by the tenant, nor to anticipate for more than one (1) month any rents that may become collectible under any Occupancy Lease; (c) not to execute a mortgage or create or permit a lien affecting the Mortgaged Premises which might be or become superior to any Occupancy Lease; (d) to execute and deliver to the Lender, within ten (10) days after request therefor, such collateral assignments, estoppel certificates, subordination agreements, attornment agreements and other documents as might be required by the Lender with respect to any Occupancy Lease; and (e) all representations made by the Grantor to the Lender in connection with each Occupancy Lease are and will be true and correct.

19. Prohibited Acts. The Grantor will not: (a) sell (including, without implied limitation, the execution of one or more installment sale contracts or contracts for deed), convey, mortgage or otherwise transfer or encumber all or any part of the Mortgaged Premises; or (b) create or suffer to exist any security interest, chattel mortgage or title retention device covering all or any part of the Collateral. The occurrence of any of the aforesaid events without the Lender's prior written approval will constitute a default hereunder.

20. Subrogation. To the extent funds are advanced under the Note hereby secured for the purpose of paying the indebtedness secured by any lien or encumbrance having priority over the lien of this Mortgage, the Lender will be subrogated to any and all rights, superior titles, liens and equities owned or claimed by the holder of such prior lien or encumbrance.

21. Governing Law. This Mortgage will be construed according to the internal laws of the State of Oklahoma. All actions with respect to this Mortgage or the other instruments securing payment of the Note may be instituted in the courts of the State of Oklahoma sitting in Oklahoma County, Oklahoma, or the United States District Court sitting in Oklahoma City,

Oklahoma, as the Lender might elect, and by execution and delivery of this Mortgage, the Grantor irrevocably and unconditionally submits to the jurisdiction (both subject matter and personal) of each such court and irrevocably and unconditionally waives: (a) any objection the undersigned might now or hereafter have to the venue in any of such courts; and (b) any claim that any action or proceeding brought in any of such courts has been brought in an inconvenient forum.

22. Future Advancements. This Mortgage will secure the payment of the Note, including any and all advancements made by the Lender thereunder and under the Loan Agreement or becoming payable under the provisions hereof, together with any increases, renewals, modifications, rearrangements, consolidations or extensions of the Note or the Loan Agreement.

23. Environmental Compliance. The Grantor agrees that the Grantor will not use, generate, manufacture, produce, store, release, discharge, or dispose of on, under or about the Mortgaged Premises or transport to or from the Mortgaged Premises any Hazardous Substance (as hereafter defined) or allow any other person to do so. The Grantor agrees to keep and maintain the Mortgaged Premises in compliance with, and not to cause or permit the Mortgaged Premises to be in violation of, any Environmental Law (as hereafter defined). The Grantor agrees to give prompt written notice to the Lender of: (a) any proceeding or inquiry by any governmental authority with respect to the presence of any Hazardous Substance on the Mortgaged Premises or the migration thereof from or to other property; (b) all claims made or threatened by any third party against the Grantor or the Mortgaged Premises relating to any loss or injury resulting from any Hazardous Substance; and (c) the Grantor's discovery of any occurrence or condition on the Mortgaged Premises or on any real property adjoining or in the vicinity of the Mortgaged Premises that could cause the Mortgaged Premises or any part thereof to be subject to any restrictions on the ownership, occupancy, transferability or use of the Mortgaged Premises under any Environmental Law. The Lender will have the right to join and participate in, as a party if the Lender so elects, any legal proceedings or actions initiated in connection with any Environmental Law and have the Lender's attorneys' fees in connection therewith paid by the Grantor. The Grantor agrees to protect, indemnify and hold harmless the Lender, the Lender's directors, officers, employees, agents, successors and assigns against all loss, damage, cost, expense or liability (including attorneys' fees and costs) directly or indirectly arising out of or attributable to the use, generation, manufacture, production, storage, release, threatened release, discharge, disposal or presence of a Hazardous Substance on, under or about the Mortgaged Premises including, without implied limitation: (i) all foreseeable consequential damages; and (ii) the costs of any required or necessary repair, cleanup or detoxification of the Mortgaged Premises and the preparation and implementation of any closure, remedial or other required plan. This indemnity will survive the release of this Mortgage or the extinguishment of the lien by foreclosure, exercise of a power of sale or action in lieu thereof. If any investigation, site monitoring, containment, cleanup, removal, restoration or other remedial work of any kind or nature (the "Remedial Work") is reasonably necessary or desirable under any applicable local, state or federal law or regulation, any judicial order, or by any governmental or nongovernmental entity or person because of, or in connection with, the current or future presence, suspected presence, release or suspected release of a Hazardous Substance on or into the air, soil, groundwater, surface water or soil vapor at, on, about, under or within the Mortgaged Premises

(or any portion thereof), the Grantor agrees within thirty (30) days after written demand for performance thereof by the Lender (or such shorter period of time as might be required under any applicable law, regulation, order or agreement), to commence, or cause to be commenced, and thereafter diligently prosecute or cause to be prosecuted to completion, all such Remedial Work. All Remedial Work will be performed by one or more contractors approved by the Lender under the supervision of a consulting engineer approved by the Lender. All costs and expenses of such Remedial Work will be paid by the Grantor including, without implied limitation, the charges of such contractor(s) and consulting engineer(s), and the Lender's reasonable attorneys' fees and costs incurred in connection with monitoring or review of such Remedial Work. If the Grantor fails to timely commence, or cause to be commenced, or fails to diligently prosecute or cause to be prosecuted to completion, such Remedial Work, the Lender may, but will not be required to, cause such Remedial Work to be performed and all costs and expenses thereof, or incurred in connection therewith, will become part of the indebtedness hereby secured. The term "Environmental Laws" means any federal, state or local law, statute, ordinance or regulation pertaining to health, industrial hygiene or the environmental conditions on, under or about the Mortgaged Premises. The term "Hazardous Substance" will include without implied limitation: (i) Those substances included within the definitions of "hazardous substances," "hazardous materials," "toxic substances" or "solid waste" by any Environmental Law; (ii) those substances, materials and wastes which are or become regulated under any applicable Environmental Law; and (iii) any material, waste or substance which is petroleum, asbestos, polychlorinated biphenyls, flammable, explosive or radioactive.

24. Mortgage as Assignment of Leases and Rents. As additional and further security for the payment of the indebtedness secured hereby, the Grantor hereby grants, bargains, sells, conveys and assigns to the Lender: all leases, whether now existing or hereafter arising; all rents, receipts, revenues, income, issues and profits now or hereafter payable to or received by the Grantor thereunder, including, without implied limitation, minimum rent, percentage rent, additional rent, reimbursements for taxes, insurance premiums, maintenance or operating expenses; all guarantees of the performance of the lessees thereunder; all of the Grantor's rights thereunder; all proceeds now or hereafter payable to the Grantor under any policy of insurance against loss of rents relating to the Mortgaged Premises; and all rights, claims and demands which the Grantor might now or hereafter have against any tenant, subtenant, assignee or other occupant of the Mortgaged Premises; together with full and complete authority and right in the Lender in case of default in payment of the indebtedness hereby secured or any part thereof or failure to comply with any of the terms and conditions of the Loan Agreement, the Note or this Mortgage, to demand, collect, receive and receipt for such rents, income and profits, to take possession of the Mortgaged Premises without having a receiver appointed therefor, to rent and manage the same from time to time, and to apply the net proceeds of such rents, income and profits in payment of the indebtedness hereby secured until such indebtedness is paid in full or until title is obtained through foreclosure, by exercise of the power of sale or otherwise. The Lender will not be obligated to perform or discharge any obligation under any of the leases by reason of this assignment.

25. Waiver of Suretyship Defenses. To the extent that Grantor is considered a surety with respect to the indebtedness secured by this Mortgage, Grantor hereby waives all rights and

defenses available to a surety at law or in equity, including but not limited to all such rights or defenses available under applicable statutes.

26. Construction. Wherever used in this Mortgage: the word "Mortgage" means "this instrument and all increases, extensions, modifications, renewals, consolidations and amendments hereof"; the word "Occupancy Lease" means "any agreement between the Grantor as lessor and any other person for the use, occupancy or possession of all or any part of the Mortgaged Premises"; the words "Mortgaged Premises" mean "the items of real and personal property now owned or hereafter acquired by the Grantor to the extent described herein and all future additions to, increases of, replacements and substitutions for and proceeds and products thereof"; the word "Lender" means "the person named herein as Lender or any subsequent holder or holders of this Mortgage"; the word "Grantor" means "the then owner or owners of an interest in the Mortgaged Premises and such persons' legal representatives, successors and permitted assigns"; the word "Borrower" means "the Borrower described herein and the lessee under the Borrower Lease, and such person's successors and permitted assigns"; the word "Note" means "the Promissory Note described herein, payment of which is secured by this Mortgage and all increases, extensions, modifications, renewals, consolidations and amendments thereof"; and the word "person" means "any individual, corporation, partnership, association, trust, joint venture or any government or agency or political subdivision thereof." The paragraph headings of this Mortgage are included for convenience in reference and are not intended to define, limit or modify the terms of this Mortgage. If any provision of this Mortgage is held to be invalid, illegal or unenforceable in any respect or application, for any reason, such invalidity, illegality or unenforceability will not affect the other provisions herein contained, and such other provisions will remain in full force and effect. This Mortgage is intended to create rights between the Grantor and the Lender and is not intended to confer rights on any other person or to constitute such person a third party beneficiary hereunder. This Mortgage will be binding on the Grantor and all successors and permitted assigns of the Grantor and will inure to the benefit of the Lender and all successors and assigns of the Lender.

27. Amendment. This Mortgage cannot be changed except by an agreement in writing signed by the party against whom enforcement of the change is sought.

IN WITNESS WHEREOF, the Grantor has duly executed this instrument to be effective the date first above written.

MIDWEST CITY MEMORIAL HOSPITAL
AUTHORITY, a public trust

By _____
Lynn Jack Fry, Jr., Chairman

(the "Grantor")

ACKNOWLEDGMENT

STATE OF OKLAHOMA)
) SS:
COUNTY OF OKLAHOMA)

This instrument was acknowledged before me on the ___ day of August, 2012, by Lynn Jack Fry, Jr., Chairman of Midwest City Memorial Hospital Authority, a public trust.

(SEAL)

Notary Public

My Commission Expires: _____
My Commission Number: _____

Schedule "E"

Return recorded instrument to:

ASSIGNMENT OF LESSOR'S INTEREST IN LEASES

THIS ASSIGNMENT OF LESSOR'S INTEREST IN LEASES (this "Assignment") is made effective the ____ day of September, 2012, by SOONER TOWN CENTER II, L.L.C., an Oklahoma limited liability company, having a notice address at P.O. Box 9199, Morganton, North Carolina 28680-9119 ("Assignor"), in favor of FIRST NATIONAL BANK, having a notice address at P.O. Box 10400, Midwest City, Oklahoma 73140 ("Assignee").

W I T N E S S E T H:

WHEREAS, Assignor is justly indebted to Assignee in the maximum principal amount of \$9,136,970.00 with interest thereon, according to the terms of a promissory note (the "Note") in such amount of even date herewith; and

WHEREAS, Assignor as mortgagor has granted to Assignee as mortgagee a mortgage lien and security interest created by a Mortgage, Security Agreement and Financing Statement (the "Mortgage") of even date herewith covering the real property described on attached Exhibit "A", together with the improvements thereon and certain personal property associated therewith (the "Mortgaged Premises").

NOW, THEREFORE, to secure to Assignee the payment of the aforesaid indebtedness, with interest thereon, the payment of all other moneys secured hereby or advanced hereunder and the performance of the agreements in favor of Assignee contained in this Assignment and all other instruments now or hereafter evidencing or securing payment of the indebtedness hereby secured, Assignor does hereby grant, bargain, sell, convey and assign to Assignee all of Assignor's interest in the leases, subleases, rental contracts and other agreements relating to the use or occupancy of all or any part of the Mortgaged Premises, whether now existing or hereafter arising; all rents, receipts, revenues, income, issues and profits now or hereafter payable to or received by Assignor thereunder, including, without limitation, minimum rent, percentage rent, additional rent, reimbursement for taxes, insurance premiums, maintenance or operating expenses; all guaranties of the performance of the lessees thereunder; all of Assignor's rights thereunder; all proceeds now or hereafter payable to Assignor under any policy of insurance against loss of rents or business interruption relating to the Mortgaged Premises; and all rights, claims and demands which Assignor might now or hereafter have against any tenant, subtenant, assignee or other occupant of the Mortgaged Premises. The foregoing leases and the rents, rights, proceeds and claims relating thereto are hereafter collectively called the "Leases."

TO HAVE AND TO HOLD the Leases unto Assignee, its successors and assigns, forever; SUBJECT, however, to the license hereby granted to Assignor to collect rents payable under the Leases until such license might be terminated as herein provided.

1. Assignor's Warranties. Assignor represents and warrants that Assignor has good title to the Leases and good right to assign the same; no person other than Assignor and the respective lessees thereunder has any right, title or interest in the Leases; Assignor has duly and punctually performed all the terms of the Leases on Assignor's part to be performed; except as might be indicated herein, the Leases are unmodified and are valid and in full force and effect, and except for a collateral assignment to a previous lender, which has been terminated and released prior to Assignor's execution of this Assignment, Assignor has not previously sold, assigned, transferred, mortgaged or pledged the Leases or the rents now or hereafter due thereunder, the rents to accrue under the Leases having been collected by Assignor, and not anticipated, waived, released, discounted, set off or otherwise discharged or compromised; Assignor has not received any funds or deposits from any tenant for which credit is to be made on account of rents to accrue; so far as is known to Assignor, the lessees under the Leases are not in default of any of the terms thereof; and, except to the extent required by Assignee, Assignor has not permitted the subordination of any of the Leases to the lien of any encumbrance.

2. Assignor's Performance. Assignor agrees that Assignor will observe, perform and discharge, duly and punctually, all of the terms of the Leases on the part of Assignor to be performed; give prompt notice to Assignee of any failure or inability on the part of Assignor to perform Assignor's obligations under the Leases; promptly provide to Assignee copies of any notice, demand or other document received by Assignor from any lessee specifying any default claimed to have been made by Assignor under the Leases; in the event Assignor's license to collect rents under the Leases is terminated as herein provided, after request by Assignee, direct in writing that each lessee under the Leases thereafter make all rental payments and deposits to Assignee; enforce the performance of each obligation of each lessee under the Leases; appear in and defend any action or proceeding arising under the Leases; and not create or permit to be created any lien, charge or encumbrance of the Leases or the rents payable thereunder, except the liens created by this Assignment and the Mortgage.

3. Actions Affecting Leases. Assignor agrees that unless Assignee otherwise consents in writing, such consent not to be unreasonably withheld, Assignor will not receive or collect rents under any of the Leases for a period of more than one (1) month in advance; waive, excuse, condone, discount, set off, compromise, or release or discharge any lessee or guarantor from any obligation under the Leases; permit the cancellation, termination or surrender of any of the Leases; commence an action of ejectment or any summary proceedings for dispossession of the lessee under any of the Leases or exercise any right of recapture provided in any of the Leases; materially modify or in any material way alter the terms of any of the Leases; consent to any subletting or assignment under the Leases; or permit the subordination of the Leases to the lien created by any encumbrance other than to the extent requested by Assignee.

4. License to Collect Rents. So long as there exists no uncured default by Assignor in the payment of the indebtedness hereby secured or in the performance of the terms contained in the Note, the Mortgage, this Assignment and the Leases, Assignor will have the right under

the license hereby granted (but limited as herein provided) to collect, but not more than one (1) month prior to accrual, all of the rents arising from the Leases and the Mortgaged Premises. In the exercise of such license Assignor agrees to collect such rents and hold and apply the same.

5. Termination of License. At anytime after default in the payment of the indebtedness hereby secured or in the performance of any obligation contained in the Loan Agreement, Assignee, after the passage of any applicable notice and/or cure periods set forth in the Note, at its option and without notice, will have the right to terminate the license hereby granted to Assignor to collect rents payable under the Leases; and thereafter Assignee may collect, demand, receive, sue for, attach and levy against the rents in Assignee's name, give proper receipts, releases and acquittance therefor and apply the proceeds thereof in payment of the expenses of operating the Mortgaged Premises and the indebtedness hereby secured in such order as Assignee may determine. On termination of the license hereby granted to Assignor, Assignee will be entitled to enter upon, take possession of, manage and operate the Mortgaged Premises; make, modify, enforce, cancel or accept surrender of any Leases; remove and evict any lessee under the Leases or other occupant of the Mortgaged Premises; increase or decrease rents; and do any act and incur any expenses which Assignee deems proper to protect the security hereof. At any time after an uncured default by Assignor, Assignee will be entitled to require Assignor to transfer to Assignee any security deposits made by any lessee under any of the Leases and all records evidencing rental payments and deposits relating to the Mortgaged Premises.

6. Notice to Lessees. Assignor hereby authorizes Assignee to give notice in writing of this Assignment at any time to any lessee under any of the Leases. On the termination of the license hereby granted to Assignor to collect rents payable under the Leases, Assignor hereby authorizes Assignee to direct that all rent thereafter accruing be paid to Assignee free from all claims thereto by Assignor. Each lessee under the Leases and all other persons are hereby authorized to rely on any demand by Assignee for payment of rents to Assignee by reason of any default claimed by Assignee. The written demand by Assignee will be sufficient direction to any lessee or other person to make future payments of rents to Assignee without the necessity for further consent by or notice to Assignor.

7. Subordination. Assignor hereby authorizes Assignee at any time and from time to time to subordinate the lien of the Mortgage to the rights of the lessees under the Leases. Assignor further authorizes Assignee and each lessee under the Leases to execute and deliver such subordination agreements, attornment agreements and other like instruments as Assignee, in its sole discretion, reasonably determines to be desirable in order to establish the priority of the rights of the lessees under the Leases and of Assignee under the Mortgage and this Assignment.

8. Rejection of Leases. Assignor agrees in the event any of the Leases is rejected by reason of any proceeding under any federal or state insolvency or bankruptcy statute permitting the termination or rejection of any of the Leases, no settlement will be made without the prior written consent of Assignee; and any payment of damages for rejection of any Lease will be paid to Assignee for application to the indebtedness secured by this Assignment as Assignee may elect.

9. No Merger. The fact that the Leases or the leasehold estates created thereby might be held directly or indirectly, by or for the account of any person or entity which might have an interest in any other estate in the Mortgaged Premises will not, by operation of law or otherwise, merge any of the Leases or the leasehold estates created thereby with any other estate in the Mortgaged Premises so long as the indebtedness hereby secured remains unpaid, unless Assignee consents in writing to such merger.

10. Indemnity. Assignee will not be obligated to perform or discharge any obligation under the Leases by reason of this Assignment. Assignor hereby agrees to indemnify Assignee against and hold Assignee harmless from all liability, loss, or damage which Assignee might incur under the Leases or by reason of this Assignment and from all claims and demands whatsoever which might be asserted against Assignee by reason of any alleged obligation or undertaking on Assignee's part to perform or discharge any of the terms of the Leases. Should Assignee incur any such liability, loss, or damage, the amount thereof, except that which is caused by the gross negligence or willful misconduct of Assignee, including costs, expenses and reasonable attorneys' and accountants' fees, will be secured hereby and by the Mortgage, and Assignor will reimburse Assignee therefor immediately on demand. The acceptance by Assignee of this Assignment will not be deemed to constitute Assignee a "mortgagee in possession," or to obligate Assignee to appear in or defend any action or proceeding relating to the Leases or to the Mortgaged Premises, or to take any action hereunder, or to incur any expenses or perform any obligation under the Leases or to any obligation for any deposits delivered to Assignor by any lessee thereunder.

11. Cumulative Remedies. The rights of the Assignee contained in this Assignment will be separate, distinct and cumulative, and no right or remedy herein provided is intended to be in exclusion of any other created by this Assignment or any other instrument evidencing or securing payment of the indebtedness hereby secured. No act of Assignee will be construed an election to proceed under any one provision herein to the exclusion of any other provision, anything herein or otherwise to the contrary notwithstanding. In the event of any default hereunder, Assignee will be entitled to selectively and successively enforce Assignee's rights under any one or more of the instruments evidencing or securing payment of the indebtedness hereby secured, and such action will not be deemed a waiver or discharge of any other lien or encumbrance securing such indebtedness until such time as Assignee shall have been paid in full all sums owing to Assignee. In addition to any other rights hereunder, Assignee will have the right to institute suit and obtain injunctive relief to enforce the agreements of Assignor contained herein.

12. Termination of Assignment. On the payment in full of all indebtedness hereby secured, as evidenced by the recording of a full release of the Mortgage without the recording of another mortgage in favor of Assignee affecting the Mortgaged Premises, this Assignment will become and be void and of no effect.

13. Notice. Every provision for notice contained in this Assignment will be deemed fulfilled by written notice given in the manner set forth in the Mortgage.

14. Other Documents. Simultaneously with the execution and delivery of this Assignment as additional security for payment of the indebtedness hereby secured, Assignor has executed and delivered or caused to be executed and delivered to Assignee, the Note, the Mortgage and other collateral documents. Assignor agrees that an uncured default in performance under any of the foregoing instruments will constitute a default in performance under this Assignment which will entitle Assignee, at Assignee's option, to exercise any one or more of the rights and remedies of Assignee herein provided.

15. Definitions; Construction. Wherever used in this Assignment, the word "Assignment" means "this instrument and all extensions, modifications, renewals, consolidations and amendments hereof; the word "Lease(s)" means "any agreement between Assignor as lessor and any other person for the use, occupancy or possession of all or any part of the 'Mortgaged Premises'"; the word "Mortgage" means "the instrument herein described and all extensions, modifications, renewals, consolidation and amendments thereof"; the words "Mortgaged Premises" means "the items of real and personal property now owned or hereafter acquired by Assignor to the extent described in the Mortgage or herein and all future additions to, increases of, replacements and substitutions for and proceeds and products thereof"; the word "Assignee" means "the person named herein as Assignee or any subsequent holder or holders of this Assignment"; the word "Assignor" means the person named herein as Assignor and/or any subsequent owner or owners of an interest in the "Mortgaged Premises"; the word "Note" means "the promissory note described herein, payment of which is secured by this Assignment and all extensions, modifications, renewals, consolidations and amendments thereof"; and the word "person" means "any individual, corporation, partnership, limited liability company, association, trust, joint venture or any government or agency or political subdivision thereof." The paragraph headings of this Assignment are included for convenience in reference and are not intended to define, limit or modify the terms of this Assignment. If any provision of this Assignment is held to be invalid, illegal or unenforceable in any respect or application, for any reason, such invalidity, illegality or unenforceability will not affect the other provisions herein contained, and such other provisions will remain in full force and effect. This Assignment is intended to create rights between Assignor and Assignee and is not intended to confer rights on any other person or to constitute such person a third party beneficiary hereunder. This Assignment will be binding on Assignor and all heirs, personal representatives, successors and assigns of Assignor and will inure to the benefit of Assignee and all successors and assigns of Assignee. If Assignor is comprised of more than one person, this Assignment will be jointly and severally binding on each Person comprising Assignor. This Assignment will be governed and construed in accordance with the laws of the State of Oklahoma.

16. Amendment. This Assignment cannot be changed except by an agreement in writing signed by Assignor and Assignee.

Exhibit "A"

Legal Description

Schedule "F"

Return recorded instrument to:

ASSIGNMENT OF LESSOR'S INTEREST IN LEASES

THIS ASSIGNMENT OF LESSOR'S INTEREST IN LEASES (this "Assignment") is made effective the ____ day of September, 2012, by MIDWEST CITY MEMORIAL HOSPITAL AUTHORITY, a public trust, having a notice address at 100 Midwest Boulevard, Midwest City, Oklahoma 73110, Attention: City Attorney ("Assignor"), in favor of FIRST NATIONAL BANK, having a notice address at P.O. Box 10400, Midwest City, Oklahoma 73140 ("Assignee").

WITNESSETH:

WHEREAS, Sooner Town Center II, an Oklahoma limited liability company ("Borrower"), is justly indebted to Assignee in the maximum principal amount of \$9,136,970.00 with interest thereon, according to the terms of a promissory note (the "Note") in such amount of even date herewith; and

WHEREAS, to secure to Assignee the payment of aforesaid indebtedness, Assignor as mortgagor has granted to Assignee as mortgagee a mortgage lien and security interest created by a Mortgage, Security Agreement and Financing Statement (the "Mortgage") of even date herewith covering the real property described on attached Exhibit "A", together with the improvements thereon and certain personal property associated therewith (the "Mortgaged Premises").

NOW, THEREFORE, to further secure to Assignee the payment of the aforesaid indebtedness of Borrower, with interest thereon, the payment of all other moneys secured hereby or advanced hereunder and the performance of the agreements in favor of Assignee contained in this Assignment and all other instruments now or hereafter evidencing or securing payment of the indebtedness hereby secured, Assignor does hereby grant, bargain and assign to Assignee all of Assignor's interest in the leases, subleases, rental contracts and other agreements relating to the use or occupancy of all or any part of the Mortgaged Premises, whether now existing or hereafter arising; all rents, receipts, revenues, income, issues and profits now or hereafter payable to or received by Assignor thereunder, including, without limitation, minimum rent, percentage rent, additional rent, reimbursement for taxes, insurance premiums, maintenance or operating expenses; all guaranties of the performance of the lessees thereunder; all of Assignor's rights thereunder; all proceeds now or hereafter payable to Assignor under any policy of insurance against loss of rents or business interruption relating to the Mortgaged Premises; and all rights, claims and demands which Assignor might now or hereafter have against any tenant,

subtenant, assignee or other occupant of the Mortgaged Premises. The foregoing leases and the rents, rights, proceeds and claims relating thereto are hereafter collectively called the "Leases."

TO HAVE AND TO HOLD the Leases unto Assignee, its successors and assigns, forever; SUBJECT, however, to the license hereby granted to Assignor to collect rents payable under the Leases until such license might be terminated as herein provided.

1. Assignor's Warranties. Assignor represents and warrants that Assignor has good title to the Leases and good right to assign the same; no person other than Assignor and the respective lessees thereunder has any right, title or interest in the Leases; Assignor has duly and punctually performed all the terms of the Leases on Assignor's part to be performed; except as might be indicated herein, the Leases are unmodified and are valid and in full force and effect, and except for a collateral assignment to a previous lender, which has been terminated and released prior to Assignor's execution of this Assignment, Assignor has not previously sold, assigned, transferred, mortgaged or pledged the Leases or the rents now or hereafter due thereunder, and not anticipated, waived, released, discounted, set off or otherwise discharged or compromised; Assignor has not received any funds or deposits from any tenant for which credit is to be made on account of rents to accrue; so far as is known to Assignor, the lessees under the Leases are not in default of any of the terms thereof; and, except to the extent required by Assignee, Assignor has not permitted the subordination of any of the Leases to the lien of any encumbrance.

2. Assignor's Performance. Assignor agrees that Assignor will observe, perform and discharge, duly and punctually, all of the terms of the Leases on the part of Assignor to be performed; give prompt notice to Assignee of any failure or inability on the part of Assignor to perform Assignor's obligations under the Leases; promptly provide to Assignee copies of any notice, demand or other document received by Assignor from any lessee specifying any default claimed to have been made by Assignor under the Leases; in the event Assignor's license to collect rents under the Leases is terminated as herein provided, after request by Assignee, direct in writing that each lessee under the Leases thereafter make all rental payments and deposits to Assignee; enforce the performance of each obligation of each lessee under the Leases; appear in and defend any action or proceeding arising under the Leases; and not create or permit to be created any lien, charge or encumbrance of the Leases or the rents payable thereunder, except the liens created by this Assignment and the Mortgage.

3. Actions Affecting Leases. Assignor agrees that unless Assignee otherwise consents in writing, such consent not to be unreasonably withheld, Assignor will not receive or collect rents under any of the Leases for a period of more than one (1) month in advance; waive, excuse, condone, discount, set off, compromise, or release or discharge any lessee or guarantor from any obligation under the Leases; permit the cancellation, termination or surrender of any of the Leases; commence an action of ejectment or any summary proceedings for dispossession of the lessee under any of the Leases or exercise any right of recapture provided in any of the Leases; materially modify or in any material way alter the terms of any of the Leases; consent to any subletting or assignment under the Leases; or permit the subordination of the Leases to the lien created by any encumbrance other than to the extent requested by Assignee.

4. License to Collect Rents. So long as there exists no uncured default by Assignor in the payment of the indebtedness hereby secured or in the performance of the terms contained in the Note, the Mortgage, this Assignment and the Leases, Assignor will have the right under the license hereby granted (but limited as herein provided) to collect, but not more than one (1) month prior to accrual, all of the rents arising from the Leases and the Mortgaged Premises. In the exercise of such license Assignor agrees to collect such rents and hold and apply the same.

5. Termination of License. At anytime after default in the payment of the indebtedness hereby secured or in the performance of any obligation contained in the Loan Agreement, Assignee, after the passage of any applicable notice and/or cure periods set forth in the Note, at its option and without notice, will have the right to terminate the license hereby granted to Assignor to collect rents payable under the Leases; and thereafter Assignee may collect, demand, receive, sue for, attach and levy against the rents in Assignee's name, give proper receipts, releases and acquittance therefor and apply the proceeds thereof in payment of the expenses of operating the Mortgaged Premises and the indebtedness hereby secured in such order as Assignee may determine. On termination of the license hereby granted to Assignor, Assignee will be entitled to enter upon, take possession of, manage and operate the Mortgaged Premises; make, modify, enforce, cancel or accept surrender of any Leases; remove and evict any lessee under the Leases or other occupant of the Mortgaged Premises; increase or decrease rents; and do any act and incur any expenses which Assignee deems proper to protect the security hereof. At any time after an uncured default by Assignor, Assignee will be entitled to require Assignor to transfer to Assignee any security deposits made by any lessee under any of the Leases and all records evidencing rental payments and deposits relating to the Mortgaged Premises.

6. Notice to Lessees. Assignor hereby authorizes Assignee to give notice in writing of this Assignment at any time to any lessee under any of the Leases. On the termination of the license hereby granted to Assignor to collect rents payable under the Leases, Assignor hereby authorizes Assignee to direct that all rent thereafter accruing be paid to Assignee free from all claims thereto by Assignor. Each lessee under the Leases and all other persons are hereby authorized to rely on any demand by Assignee for payment of rents to Assignee by reason of any default claimed by Assignee. The written demand by Assignee will be sufficient direction to any lessee or other person to make future payments of rents to Assignee without the necessity for further consent by or notice to Assignor.

7. Subordination. Assignor hereby authorizes Assignee at any time and from time to time to subordinate the lien of the Mortgage to the rights of the lessees under the Leases. Assignor further authorizes Assignee and each lessee under the Leases to execute and deliver such subordination agreements, attornment agreements and other like instruments as Assignee, in its sole discretion, reasonably determines to be desirable in order to establish the priority of the rights of the lessees under the Leases and of Assignee under the Mortgage and this Assignment.

8. Rejection of Leases. Assignor agrees in the event any of the Leases is rejected by reason of any proceeding under any federal or state insolvency or bankruptcy statute permitting the termination or rejection of any of the Leases, no settlement will be made without the prior written consent of Assignee; and any payment of damages for rejection of any Lease will be paid

to Assignee for application to the indebtedness secured by this Assignment as Assignee may elect.

9. No Merger. The fact that the Leases or the leasehold estates created thereby might be held directly or indirectly, by or for the account of any person or entity which might have an interest in any other estate in the Mortgaged Premises will not, by operation of law or otherwise, merge any of the Leases or the leasehold estates created thereby with any other estate in the Mortgaged Premises so long as the indebtedness hereby secured remains unpaid, unless Assignee consents in writing to such merger.

10. Indemnity. Assignee will not be obligated to perform or discharge any obligation under the Leases by reason of this Assignment. Assignor hereby agrees to indemnify Assignee against and hold Assignee harmless from all liability, loss, or damage which Assignee might incur under the Leases or by reason of this Assignment and from all claims and demands whatsoever which might be asserted against Assignee by reason of any alleged obligation or undertaking on Assignee's part to perform or discharge any of the terms of the Leases. Should Assignee incur any such liability, loss, or damage, the amount thereof, except that which is caused by the gross negligence or willful misconduct of Assignee, including costs, expenses and reasonable attorneys' and accountants' fees, will be secured hereby and by the Mortgage, and Assignor will reimburse Assignee therefor immediately on demand. The acceptance by Assignee of this Assignment will not be deemed to constitute Assignee a "mortgagee in possession," or to obligate Assignee to appear in or defend any action or proceeding relating to the Leases or to the Mortgaged Premises, or to take any action hereunder, or to incur any expenses or perform any obligation under the Leases or to any obligation for any deposits delivered to Assignor by any lessee thereunder.

11. Cumulative Remedies. The rights of the Assignee contained in this Assignment will be separate, distinct and cumulative, and no right or remedy herein provided is intended to be in exclusion of any other created by this Assignment or any other instrument evidencing or securing payment of the indebtedness hereby secured. No act of Assignee will be construed an election to proceed under any one provision herein to the exclusion of any other provision, anything herein or otherwise to the contrary notwithstanding. In the event of any default hereunder, Assignee will be entitled to selectively and successively enforce Assignee's rights under any one or more of the instruments evidencing or securing payment of the indebtedness hereby secured, and such action will not be deemed a waiver or discharge of any other lien or encumbrance securing such indebtedness until such time as Assignee shall have been paid in full all sums owing to Assignee. In addition to any other rights hereunder, Assignee will have the right to institute suit and obtain injunctive relief to enforce the agreements of Assignor contained herein.

12. Termination of Assignment. On the payment in full of all indebtedness hereby secured, as evidenced by the recording of a full release of the Mortgage without the recording of another mortgage in favor of Assignee affecting the Mortgaged Premises, this Assignment will become and be void and of no effect.

13. Notice. Every provision for notice contained in this Assignment will be deemed fulfilled by written notice given in the manner set forth in the Mortgage.

14. Other Documents. Simultaneously with the execution and delivery of this Assignment as additional security for payment of the indebtedness hereby secured, Assignor has executed and delivered or caused to be executed and delivered to Assignee the Mortgage and other collateral documents. Assignor agrees that an uncured default in performance under any of the foregoing instruments will constitute a default in performance under this Assignment which will entitle Assignee, at Assignee's option, to exercise any one or more of the rights and remedies of Assignee herein provided.

15. Definitions; Construction. Wherever used in this Assignment, the word "Assignment" means "this instrument and all extensions, modifications, renewals, consolidations and amendments hereof; the word "Lease(s)" means "any agreement between Assignor as lessor and any other person for the use, occupancy or possession of all or any part of the 'Mortgaged Premises'"; the word "Mortgage" means "the instrument herein described and all extensions, modifications, renewals, consolidation and amendments thereof"; the words "Mortgaged Premises" means "the items of real and personal property now owned or hereafter acquired by Assignor to the extent described in the Mortgage or herein and all future additions to, increases of, replacements and substitutions for and proceeds and products thereof"; the word "Assignee" means "the person named herein as Assignee or any subsequent holder or holders of this Assignment"; the word "Assignor" means the person named herein as Assignor and/or any subsequent owner or owners of an interest in the "Mortgaged Premises"; the word "Note" means "the promissory note described herein, payment of which is secured by this Assignment and all extensions, modifications, renewals, consolidations and amendments thereof"; and the word "person" means "any individual, corporation, partnership, limited liability company, association, trust, joint venture or any government or agency or political subdivision thereof." The paragraph headings of this Assignment are included for convenience in reference and are not intended to define, limit or modify the terms of this Assignment. If any provision of this Assignment is held to be invalid, illegal or unenforceable in any respect or application, for any reason, such invalidity, illegality or unenforceability will not affect the other provisions herein contained, and such other provisions will remain in full force and effect. This Assignment is intended to create rights between Assignor and Assignee and is not intended to confer rights on any other person or to constitute such person a third party beneficiary hereunder. This Assignment will be binding on Assignor and all heirs, personal representatives, successors and assigns of Assignor and will inure to the benefit of Assignee and all successors and assigns of Assignee. If Assignor is comprised of more than one person, this Assignment will be jointly and severally binding on each Person comprising Assignor. This Assignment will be governed and construed in accordance with the laws of the State of Oklahoma.

16. Amendment. This Assignment cannot be changed except by an agreement in writing signed by Assignor and Assignee.

IN WITNESS WHEREOF, Assignor has duly executed this instrument as of the date first above written.

MIDWEST CITY MEMORIAL HOSPITAL
AUTHORITY, a public trust

By _____
Lynn Jack Fry, Jr., Chairman
(the "Assignor")

ACKNOWLEDGMENT

STATE OF OKLAHOMA)
) SS:
COUNTY OF OKLAHOMA)

This instrument was acknowledged before me on the ____ day of August, 2012, by Lynn Jack Fry, Jr., Chairman of Midwest City Memorial Hospital Authority, a public trust.

(SEAL)

Notary Public

My Commission Expires: _____
My Commission Number: _____

Exhibit "A"

Legal Description

Schedule "G"

LIMITED GUARANTY AGREEMENT

THIS AGREEMENT (the "Agreement") is made effective the ____ day of September, 2012, by _____ (the "Guarantor"), having a notice address at c/o Robert C. Collett, P.O. Box 9199, Morganton, North Carolina 28680-9119, in favor of FIRST NATIONAL BANK, an Oklahoma banking corporation, its successors and assigns (the "Lender"), having a notice address at P.O. Box 10400, Midwest City, Oklahoma 73140.

R E C I T A L S:

1. Simultaneously with the execution of this Agreement, the Lender has extended credit to Sooner Town Center II, L.L.C., an Oklahoma limited liability company (the "Borrower"), in the principal amount of NINE MILLION ONE HUNDRED THIRTY SIX THOUSAND NINE HUNDRED SEVENTY DOLLARS (\$9,136,970.00), as evidenced by a certain Promissory Note (the "Note") and as governed by Loan Agreement (the "Loan Agreement"), both of even date herewith.

2. This Agreement is executed by the Guarantor and delivered to the Lender to induce the Lender to make the Loan (as hereafter defined) and in satisfaction of a material condition precedent to such extensions of credit by the Lender.

3. The extensions of credit evidenced by the Note, is hereafter called the "Loan," Sooner Town Center II, L.L.C., is hereafter called the "Borrower," and the commitment letter, the Loan Agreement, the Note, the Mortgages, the Lease Assignments, the Guaranties and all other documents executed by the Borrower and its affiliates in favor of the Lender to govern, evidence or secure payment of the Loan are hereafter called the "Loan Documents."

A G R E E M E N T S:

In consideration of the Loan by the Lender to Borrower, the benefits to be derived by the Guarantor therefrom and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Guarantor, it is agreed as follows:

1. Guaranty. Subject to the limitations set forth in paragraph 9, the Guarantor guarantees to the Lender the absolute, complete and punctual performance of the agreements of the Borrower contained in the Loan Documents, including, without implied limitation, the payment in full of all principal, interest, attorneys' fees, expenses of collection and other sums now or hereafter owing by the Borrower to the Lender thereunder. The obligation of the Guarantor hereunder is an absolute, unlimited, unconditional, irrevocable and continuing guaranty of payment and performance by each of the Borrower.

2. No Release. The Guarantor agrees that the Guarantor's liability hereunder will not be released, reduced, impaired or affected by the occurrence of any one or more of the following events: (a) the Lender's obtaining collateral from the Borrower or any other person to secure payment or performance under the Loan Documents; (b) the assumption of liability by

any other person (whether as guarantor or otherwise) for payment or performance under the Loan Documents; (c) the release, surrender, exchange, loss, termination, waiver or other discharge of any of the collateral securing payment or performance under the Loan Documents; (d) the subordination, relinquishment or discharge of the Lender's rights relating to the Loan Documents or any of the collateral described therein; (e) the full or partial release from liability of the Borrower, any other guarantor of any obligation of the Borrower to the Lender or any other person now or hereafter liable for payment or performance under the Loan Documents; (f) the death, insolvency, bankruptcy, reorganization, disability, discharge, waiver or other exoneration of the Borrower, any other guarantor of any obligation of the Borrower to the Lender or any other person now or hereafter liable for payment or performance under the Loan Documents; (g) the extension, renewal, rearrangement, increase, consolidation, modification or substitution from time to time of the Loan or of the terms of the Loan Documents; (h) the failure, delay, waiver or refusal by the Lender to exercise any right or remedy held by the Lender under the Loan Documents; (i) the sale, encumbrance, transfer or other modification of the ownership of the Borrower or the Borrower's assets or a change in the financial condition or management of the Borrower; (j) the invalidity, unenforceability or insufficiency of the Loan Documents or any of the collateral securing payment or performance thereunder; or (k) the failure of the Guarantor to receive notice of any one or more of the foregoing actions or events.

3. Enforcement. The Lender may, at the option of the Lender, proceed to enforce this Agreement directly against the Guarantor without first proceeding against the Borrower or any other person liable for payment or performance under the Loan Documents and without first proceeding against or exhausting any collateral now or hereafter held by the Lender to secure payment or performance under the Loan Documents.

4. Waiver of Rights. The Guarantor waives diligence, presentment, protest, notice of dishonor, demand for payment, notice of nonpayment or nonperformance, notice of acceptance of this Agreement and all other notices of any nature in connection with the exercise of the Lender's rights under the Loan Documents or this Agreement. Performance by the Guarantor hereunder will not entitle the Guarantor to any payment by the Borrower or any other guarantor of the obligations of the Borrower under the Loan Documents by reason of any claim for contribution, indemnification, subrogation or otherwise. The Guarantor waives all rights to setoffs and counterclaims against the Lender and agrees that any rights which the Guarantor might now or hereafter hold against the Borrower and any other guarantor of the obligations of the Borrower under the Loan Documents will be subordinate, junior and inferior to all rights which the Lender might now or hereafter hold against the Borrower and any other guarantor of the obligations of the Borrower under the Loan Documents. Further, the Guarantor waives all rights and defenses available to a surety at law or in equity, including but not limited to all such rights or defenses available under applicable statutes.

5. Expenses of Collection. The Guarantor agrees that in any action brought to enforce this Agreement, the Guarantor will pay to the Lender the reasonable attorneys' fees, court costs and other litigation expenses incurred by the Lender.

6. Cumulative Remedies. Nothing herein contained will limit the Lender in exercising any rights held under the Loan Documents. On the occurrence of any event of default under the Loan Documents or this Agreement, the Lender will be entitled to selectively and successively enforce any one or more of the rights held by the Lender and such action will not be deemed a waiver of any other right held by the Lender. All of the remedies of the Lender under this Agreement and each of the Loan Documents are cumulative and not alternative. If the Lender elects to foreclose any lien created by the Loan Documents, the Lender is authorized to purchase for the account of the Lender all or any part of the collateral covered by such lien at public or private sale and to credit the amount recovered first against any portion of the Loan for which the Guarantor is determined not to be liable with any balance remaining to be applied in reduction of the liability of the Guarantor hereunder.

7. Survival of Guaranty. The obligations of the Guarantor under this Agreement will continue to be effective or be reinstated, as the case might be, if at any time any payment from the Borrower or any other person of any sum due to the Lender is rescinded or must otherwise be restored or returned by the Lender on the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Borrower or the person making payment or as a result of the appointment of a custodian, receiver, trustee or other officer with similar powers with respect to the Borrower or the person making payment or any part of the assets of the Borrower or the person making payment or otherwise. If an event permitting the acceleration of the maturity of the Loan has occurred and is continuing and such acceleration is at such time prevented by reason of the pendency against the Borrower of a proceeding under any bankruptcy or insolvency law, the Guarantor agrees that, for the purposes of this Agreement and the obligations of the Guarantor under this Agreement, the maturity of the Loan will be deemed to have been accelerated with the same effect as if the Lender had accelerated the same in accordance with the terms of the Loan Documents and the Guarantor will immediately pay the unpaid balance of the Loan.

8. No Subrogation. No payment by the Guarantor to the Lender pursuant to the provisions of this Agreement will entitle the Guarantor (by subrogation to the rights of the Lender in respect of which such payment is made or otherwise) to any payment by the Borrower or out of the property of the Borrower, except after indefeasible payment in full of all amounts and obligations owing to the Lender by the Borrower and all other guarantors of the obligations of the Borrower under all of the Loan Documents.

9. Limitation on Guaranty Obligation. Notwithstanding any other provision hereof, the Guarantor's maximum liability and obligation under this Agreement shall not exceed the sum of the principal amount of \$3,045,650.00, plus interest thereon, plus thirty three and one-third percent (33 1/3%) of the attorneys' fees, expenses of collection and other sums now or hereafter owing by the Borrower to the Lender under the Loan Documents at the time demand is made under this Agreement by the Lender, plus the costs of collection and enforcement incurred by the Lender in connection with enforcement of its rights under this Guaranty pursuant to paragraph 5.

10. Loan Agreement. The Guarantor agrees to comply with all terms and covenants applicable to it under the Loan Agreement, including but not limited to the provision of financial statements and tax returns to the Lender.

11. Governing Law. This Agreement has been negotiated, executed and delivered in Oklahoma City, Oklahoma County, Oklahoma, and is intended to be construed in accordance with the laws of the State of Oklahoma. All actions with respect to this Agreement, the Loan, the Loan Documents or any other instrument evidencing or securing payment of the Loan may be instituted in the District Court for Oklahoma City, Oklahoma. By the execution of this Agreement, the Guarantor irrevocably and unconditionally submits to the jurisdiction (both subject matter and personal) of such court and irrevocably and unconditionally waives: (a) any objection the Guarantor might now or hereafter have to the venue in such court; and (b) any claim that any action or proceeding brought in such court has been brought in an inconvenient forum.

12. Miscellaneous. If any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect or application for any reason, such invalidity, illegality or unenforceability will not affect any other provisions herein contained and such other provisions will remain in full force and effect. This Agreement will be binding on the Guarantor and all heirs, personal representatives, successors and assigns of the Guarantor and will inure to the benefit of the Lender and all successors and assigns of the Lender. The Guarantor consents to the assignment of all or any portion of the rights of the Lender hereunder in connection with any assignment of all or any portion of the rights of the Lender under the Loan Documents without notice to the Guarantor. This Agreement cannot be amended except by an agreement in writing signed by the Guarantor and the Lender.

IN WITNESS WHEREOF, the Guarantor has duly executed this Agreement effective the date first above written.

(the "Guarantor")

Schedule "H"

COLLATERAL ASSIGNMENT OF ARCHITECTURAL CONTRACT

THIS ARCHITECTURAL CONTRACT ASSIGNMENT (the "Agreement") is made effective September ____, 2012, by SOONER TOWN CENTER II, L.L.C., an Oklahoma limited liability company (the "Borrower"), having a notice address at P.O. Box 9199, Morganton, North Carolina 28680-9119 and _____ (the "Architect") having a notice address at _____, _____, North Carolina _____ in favor of FIRST NATIONAL BANK (the "Lender"), having a notice address at P.O. Box 10400, Midwest City, Oklahoma 73140.

In consideration of One Dollar (\$1.00) and other valuable consideration paid to the Architect by the Borrower, the receipt and sufficiency of which are hereby acknowledged, the parties hereby represent and agree as follows:

1. Architect's Representations. The Architect represents and warrants that the Architect has duly executed and delivered a certain agreement (the "Architectural Contract"), a complete and correct copy of which is set forth at Schedule "1" attached as a part hereof. There exist no other agreements, amendments or understandings to which the Architect is a party relating in any way to the Architectural Contract or the plans, drawings or specifications referred to in the Architectural Contract. All action, if any, on the part of the Architect necessary to authorize the valid execution and delivery of the Architectural Contract has been duly taken, the agreements of the Architect contained in the Architectural Contract are valid, legally binding and enforceable, except to the extent that enforcement thereof might be limited by any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereafter in effect. The Architect has complied with all covenants on the Architect's part in the Architectural Contract and no defense exists at the date hereof to the agreements of the Architect contained in the Architectural Contract.

2. Assignment of Architectural Contract. As additional security for the obligations arising from a certain Loan Agreement and the documents which evidence or secure the indebtedness described in the Loan Agreement (collectively, the "Loan Documents") dated on or about September ____, 2012, between the Borrower and the Lender, the Borrower hereby assigns and transfers to the Lender and the Lender's successors and assigns all the benefits under the Architectural Contract on the following terms and conditions:

2.1 Contract Status. The Borrower represents and warrants that the Architectural Contract was duly executed and is validly existing and enforceable in accordance with the Architectural Contract's terms (except to the extent that enforcement thereof might be limited by any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereafter in effect). The Borrower's interest in the Architectural Contract is not subject to any claim, setoff, lien or encumbrance of any nature.

2.2 No Assumption. Neither this Agreement nor any action (except express written assumption) will constitute an assumption by the Lender of any obligations of the Borrower or the Architect under the Architectural Contract. The Borrower and the

Architect will continue to be liable for all their respective obligations under the Architectural Contract. The Borrower agrees to punctually perform all the Borrower's obligations under the Architectural Contract and to suffer or permit no default on the Borrower's part to exist under the Architectural Contract.

2.3 Option to Cure. At any time after the Borrower has defaulted under the terms of the Loan Documents and has failed to cure such default in the manner provided by the Loan Documents, the Lender will have the right (but will have no obligation) to take, in the Lender's name or in the name of the Borrower or otherwise, such action as the Lender may from time to time determine to be necessary to cure any default under the Architectural Contract or to protect the rights of the Borrower or the Lender under the Architectural Contract. The Lender will incur no liability in the event that any action taken by the Lender or on the Lender's behalf in good faith proves to be, in whole or in part, inadequate or invalid, and the Borrower agrees to indemnify and hold the Lender harmless from any loss, cost (including, without implied limitation, reasonable fees and disbursements of legal counsel) or other liability incurred in connection with any such action or actions; provided the Borrower will not be required to indemnify the Lender with respect to any willfully negligent or wanton act committed by the Lender.

2.4 Power of Attorney. The Borrower irrevocably constitutes and appoints the Lender the true and lawful attorney for the Borrower, in the Borrower's name or the name of the Lender or the Lender's nominee or otherwise, to enforce all rights of the Borrower under the Architectural Contract after the Borrower has defaulted under the terms of the Loan Documents.

3. Consent to Assignment. The Architect consents to the assignment of the Architectural Contract and agrees that on the election of the Lender, all rights under the Architectural Contract, otherwise exercisable by the Borrower, may be exercised by the Lender. The Borrower agrees with the Architect that after the election of the Lender to succeed to the rights of the Borrower under the Architectural Contract, the Architect is authorized to render performance under the Architectural Contract to the Lender, the Lender's successors and assigns. The Borrower agrees that if the Architect receives written notice from the Lender that the Lender has elected to succeed to such rights, the Architect's performance after such written notice will be without further liability or obligation to the Borrower. The Borrower hereby irrevocably waives all claims against the Architect arising after the succession of the Lender to the rights and benefits of the Borrower under the Architectural Contract.

4. Architect's Agreements. To induce the Lender to advance funds to the Borrower under the Loan Documents, the Architect agrees with the Lender as follows:

4.1 Amendments. The Architect will not make or permit to be made any amendments of the Architectural Contract or enter into any agreements relating thereto without the prior express written consent of the Lender.

4.2 Performance. The Architect will faithfully and punctually perform all the Architect's obligations in accordance with the terms of the Architectural Contract.

4.3 Inspection; Certification. The Architect will make regular inspections (not less frequently than monthly) of the construction contemplated by the Architectural Contract and will, by the tenth (10th) day of each month provide to the Borrower and the Lender building site observation reports and certificates for payment on AIA Document G702 concerning such inspections and the progress of construction.

4.4 Initial Certification. Prior to commencement of construction of the improvements contemplated by the Architectural Contract, the Architect will provide a certification to the Lender that to the best of the Architect's knowledge the drawings and specifications meet all applicable federal, state, municipal and local requirements, including, without implied limitation, environmental impact or energy laws and regulations and the Americans with Disabilities Act of 1990.

4.5 Completion Certification. On completion of construction of the improvements contemplated by the Architectural Contract, the Architect will prepare a certificate directed to the Lender stating that: (a) the improvements have been substantially completed in a good and workmanlike manner and in substantial compliance with the drawings and specifications according to which construction proceeded in compliance with applicable governmental requirements; and (b) direct connection has been made with all public utilities, including gas, electricity, sanitary sewer and water.

4.6 Option to Cure. The Architect will not terminate the Architectural Contract because of any default of the Borrower without first providing the Lender with written notice thereof and a reasonable opportunity, but not less than thirty (30) days, to effect a cure of such default.

4.7 Lien Waiver. The Architect hereby subordinates all claims (whether now existing or hereafter arising) of the Architect under the Architectural Contract to the claims of the Lender under the Loan Documents.

5. Amendments to Loan Documents. The Borrower and the Architect agree that this Agreement will remain in full force and effect and unabated notwithstanding any amendments, substitutions, extensions or increases in the Loan Documents or in the terms of the indebtedness described in the Loan Documents.

6. Assignment of Lender's Rights. The rights of the Lender under this Agreement may be assigned by the Lender in connection with any assignment of the obligations of the Borrower to the Lender under the Loan Documents and any such assignee will be entitled to rely on the representations, warranties and covenants made in this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates hereafter indicated, effective the date first above written.

SOONER TOWN CENTER II, L.L.C., an Oklahoma limited liability company

By: _____
Robert C. Collett, Manager

("Borrower")

Date Executed: August __, 2012

By: _____
Name: _____
Title: _____

("Architect")

Date Executed: August __, 2012

FIRST NATIONAL BANK

By: _____
Theresa Privette, Vice President

("Lender")

Date Executed: August __, 2012

Schedule "I"

COLLATERAL ASSIGNMENT OF CONSTRUCTION CONTRACT

THIS COLLATERAL ASSIGNMENT OF CONSTRUCTION CONTRACT (the "Agreement") is made effective September ___, 2012, by SOONER TOWN CENTER II, L.L.C., an Oklahoma limited liability company (the "Borrower"), having a notice address at P.O. Box 9199, Morganton, North Carolina 28680-9119 and T. D. FARRELL CONSTRUCTION, INC. (the "Contractor"), having a notice address at 530 Staghorn Court, Alpharetta, Georgia 30004, in favor of FIRST NATIONAL BANK ("Lender"), having a notice address at P.O. Box 10400, Midwest City, Oklahoma 73140.

In consideration of One Dollar (\$1.00) and other valuable consideration paid to the Contractor by the Borrower, the receipt and sufficiency of which are hereby acknowledged, the parties hereby represent and agree as follows:

1. Contractor's Representations. The Contractor represents and warrants that the Contractor has duly executed and delivered a certain agreement (the "General Contract"), a complete and correct copy of which is set forth at Schedule "1" attached as a part hereof. There exist no other agreements, amendments or understandings to which the Contractor is a party relating in any way to the General Contract or the plans, drawings or specifications referred to in the General Contract. All action, if any, on the part of the Contractor necessary to authorize the valid execution and delivery of the General Contract has been duly taken, the agreements of the Contractor contained in the General Contract are valid, legally binding and enforceable, except to the extent that enforcement thereof might be limited by any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereafter in effect. The Contractor has complied with all covenants on the Contractor's part in the General Contract and no defense exists at the date hereof to the agreements of the Contractor contained in the General Contract.

2. Assignment of General Contract. As additional security for the obligations arising from a certain Loan Agreement and the documents which evidence or secure the indebtedness described in the Loan Document (collectively, the "Loan Documents") dated on or about September ___, 2012, between the Borrower and the Lender, the Borrower hereby assigns and transfers to the Lender and the Lender's successors and assigns all the benefits under the General Contract on the following terms and conditions:

2.1 Contract Status. The Borrower represents and warrants that the General Contract was duly executed and is validly existing and enforceable in accordance with the General Contract's terms (except to the extent that enforcement thereof might be limited by any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereafter in effect). The Borrower's interest in the General Contract is not subject to any claim, setoff, lien or encumbrance of any nature.

2.2 No Assumption. Neither this Agreement nor any action (except express written assumption) will constitute an assumption by the Lender of any obligations of the Borrower or the Contractor under the General Contract. The Borrower and the Contractor will continue to be liable for all their respective obligations under the General Contract.

The Borrower agrees to punctually perform all the Borrower's obligations under the General Contract and to suffer or permit no default on the Borrower's part to exist under the General Contract.

2.3 Option to Cure. At any time after the Borrower has defaulted under the terms of the Loan Documents and has failed to cure such default in the manner provided by the Loan Documents, the Lender will have the right (but will have no obligation) to take, in the Lender's name or in the name of the Borrower or otherwise, such action as the Lender may from time to time determine to be necessary to cure any default under the General Contract or to protect the rights of the Borrower or the Lender under the General Contract. The Lender will incur no liability in the event that any action taken by the Lender or on the Lender's behalf in good faith proves to be, in whole or in part, inadequate or invalid, and the Borrower agrees to indemnify and hold the Lender harmless from any loss, cost (including, without implied limitation, reasonable fees and disbursements of legal counsel) or other liability incurred in connection with any such action or actions; provided the Borrower will not be required to indemnify the Lender with respect to any willfully negligent or wanton act committed by the Lender.

2.4 Power of Attorney. The Borrower irrevocably constitutes and appoints the Lender the true and lawful attorney for the Borrower, in the Borrower's name or the name of the Lender or the Lender's nominee or otherwise, to enforce all rights of the Borrower under the General Contract after the Borrower has defaulted under the terms of the Loan Documents.

3. Consent to Assignment. The Contractor consents to the assignment of the General Contract and agrees that on the election of the Lender, all rights under the General Contract, otherwise exercisable by the Borrower, may be exercised by the Lender. The Borrower agrees with the Contractor that after the election of the Lender to succeed to the rights of the Borrower under the General Contract, the Contractor is authorized to render performance under the General Contract to the Lender, the Lender's successors and assigns. The Borrower agrees that if the Contractor receives written notice from the Lender that the Lender has elected to succeed to such rights, the Contractor's performance after such written notice will be without further liability or obligation to the Borrower. The Borrower hereby irrevocably waives all claims against the Contractor arising after the succession of the Lender to the rights and benefits of the Borrower under the General Contract.

4. Contractor's Agreements. To induce the Lender to advance funds to the Borrower under the Loan Documents, the Contractor agrees with the Lender as follows:

4.1 Amendments. The Contractor will not make or permit to be made any amendments of the General Contract or enter into any agreements relating thereto without the prior express written consent of the Lender.

4.2 Performance. The Contractor will faithfully and punctually perform all the Contractor's obligations in accordance with the terms of the General Contract.

4.3 Option to Cure. The Contractor will not terminate the General Contract because of any default of the Borrower without first providing the Lender with written notice thereof and a reasonable opportunity, but not less than thirty (30) days, to effect a cure of such default.

4.4 Lien Waiver. The Contractor hereby subordinates all claims (whether now existing or hereafter arising) of the Contractor under the General Contract or otherwise to the claims of the Lender under the Loan Documents.

4.5 Waivers; Certificates. The Contractor agrees to execute and deliver such lien waivers and certificates as the Lender might reasonably require from time to time to confirm the status of performance of and payment for the work described in the General Contract.

5. Amendments to Loan Documents. The Borrower and the Contractor agree that this Agreement will remain in full force and effect and unabated notwithstanding any amendments, substitutions, extensions or increases in the Loan Documents or in the terms of the indebtedness described in the Loan Documents.

6. Assignment of Lender's Rights. The rights of the Lender under this Agreement may be assigned by the Lender in connection with any assignment of the obligations of the Borrower to the Lender under the Loan Documents and any such assignee will be entitled to rely on the representations, warranties and covenants made in this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates hereafter indicated, effective the date first above written.

SOONER TOWN CENTER II, L.L.C., an Oklahoma
limited liability company

By: _____
Robert C. Collett, Manager

("Borrower")

Date Executed: August __, 2012

T. D. FARRELL CONSTRUCTION, INC.

By: _____
Name: _____
Title: _____

("Contractor")

Date Executed: August ___, 2012

FIRST NATIONAL BANK

By: _____
Theresa Privette, Vice President

("Lender")

Date Executed: August ___, 2012



Midwest City Memorial Hospital Authority

100 North Midwest Boulevard
Midwest City, Oklahoma 73110
(405) 739-1204 FAX (405) 739-1208 TDD (405) 739-1359

J. Guy Henson
*General Manager/
Administrator*

Trustees

Matt Dukes
Susan Eads
Pat Byrne
Rick Dawkins
Sean Reed
Christine Allen
Jeff Moore

Board of Grantors

Sherry Beaird
John Cauffiel
Marcia Conner
Pam Dimski
Dara McGlamery
Joyce Jackson
Charles McDade
Nancy Rice
Sheila Rose

MEMORANDUM

TO: Honorable Chairman and Trustees
Midwest City Memorial Hospital Authority

FROM: Sara Hancock, Secretary

DATE: February 14, 2017

SUBJECT: Discussion and consideration of action to reallocate assets, change fund managers or make changes in the Statement of Investment Policy, Guidelines and Objectives.

Jim Garrels, President, Fiduciary Capital Advisors, asked staff to put this item on each agenda in the event the Hospital Authority's investments need to be reallocated, an investment fund manager needs to be changed or changes need to be made to the Statement of Investment Policy on short notice.

Action is at the discretion of the Authority.

Sara Hancock

Sara Hancock, Secretary



NEW BUSINESS/
PUBLIC DISCUSSION





FURTHER INFORMATION





Midwest City Memorial Hospital Authority

100 North Midwest Boulevard
Midwest City, Oklahoma 73110
(405) 739-1204 FAX (405) 739-1208

J. Guy Henson
General Manager/
Administrator

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Charles McDade
Nancy Rice
Sheila Rose

MEMORANDUM

TO: Honorable Chairman and Trustees
Midwest City Memorial Hospital Authority

FROM: Guy Henson, General Manager/Administrator

DATE: February 14, 2017

SUBJECT: Discussion and consideration following the Midwest City Memorial Hospital Authority Trust Board of Grantors' recommendation for approval and authorizing distribution of the following grant awards totaling \$450,000.00 for the 2016-17 fiscal year: \$209,956 to the MWC Chamber of Commerce for "MWC/Tinker 75th Anniversaries"; \$75,000 to Friends of the OK History Center for "MWC Historic C-47 Exhibit"; \$25,000 to Divine Wisdom Worship Center for one van; \$21,304 to Mid-Del Public Schools for a John Deer Gator; \$20,000 to MWC Parks & Rec. for "Shuttle Golf Cars"; \$18,500 to MWC Community Development for "Changeable Message Sign"; \$16,000 to MWC Park & Rec. for "Mid-America Park Master Plan Proposal"; \$15,000 to Rose State College Foundation, Inc. for "MWC Heritage Day"; \$10,000 to MWC Kiwanis Club for "Light the Park"; \$10,000 to MWC Park & Rec. for "Blue lights for Lions Park"; \$10,000 to The Eden Clinic, Inc. for "Pregnancy and Wellness"; \$9,450 to Rose State College for "OK Business Conference"; and \$9,790 to the MWC Fire Department for "Equipment upgrades" from the current application, along with granting them permission to change the use of the \$50,210 from their previous year grant funds to be used at their discretion per the identified items in their attached memo.

The Trust Board of Grantors (the Board) met on January 26, 2017 to consider funding for the grant applications submitted for the 2016-17 Midwest City Memorial Hospital Authority (the Authority) grant year with a funding allocation total of \$450,000.00. The Authority received 19 eligible grant applications totaling \$2,619,076.39 in requests. The Board is recommending that thirteen grants totaling \$450,000.00 be funded in 2016-17. Last year, the Authority funded eleven grants for a total of \$425,000.00.

Attached you will find a spreadsheet of the nineteen eligible 2016-17 grant applicants. The attachment includes the first page of each grant application, the Board's ranking scores, and the summary of the thirteen recommended grants. Copies of the full grant applications are available in the City Manager's office. I've also included the memo from the Fire Department to the Board of Grantors asking for re-use of awarded grant funds.

J. Guy Henson, AICP
General Manager/Administrator



Midwest City Memorial Hospital Authority

100 North Midwest Boulevard
Midwest City, Oklahoma 73110
(405) 739-1204 FAX (405) 739-1208

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Joyce Jackson
Charles McDade
Nancy Rice
Sheila Rose

Fiscal Year 2016-17 Grant Applications Submitted

	Applicant Name	Grant Title	Project summary/Purpose/Purchase	Desired Amount	Contact	Phone	Address
#1	Mid-Del Public Schools	John Deere Gator/Storage Shed	Utility vehicle for MWC High School and storage shed to be used for multiple uses.	\$24,000.00	Ryan Baker	739-1741 x5168	213 Elm Dr., MWC, OK 73110
#2	The Eden Clinic, Inc	Pregnancy and Wellness	Provide free medical and educational services to teens and young people.	\$10,000.00	Linda Cozadd	579-4673	1315A Gateway Plaza, MWC, OK 73110
#3	RSVP of Central OK, Inc.	RSVP of Central OK, Inc.	Educational tools: Banner, brochures and newsletters for non-driving elderly.	\$5,900.00	Beth Patterson	605-3110	7401 NE 23rd St., OKC, OK 73140
#4	MWC Park and Rec	Blue Lights for Lions Park	Purchase of 3 emergency blue phones.	\$19,200.00	Vaughn Sullivan	739-1060	8730 SE 15th St., MWC, OK 73110
#5	Team Tinker Home Away from Home	Team Tinker Home Away from Home	Team Tinker Home Away from Home expenses.	\$47,094.76	Pam Kloiber	503-5041	PO Box 45522, Tinker AFB, OK 73145
#6	MWC Park and Rec	Shuttle Golf Cars	Six Passenger Shuttle Style Golf Cars for special events etc.	\$20,000.00	Vaughn Sullivan	739-1060	8730 SE 15th St., MWC, OK 73110
#7	MWC Park and Rec	Mid-America Park Master Plan Proposal	Create a Master Plan for existing park and the newly acquired 30-acre parcel for a 49-acre park.	\$16,000.00	Vaughn Sullivan	739-1060	8730 SE 15th St., MWC, OK 73110
#9	MWC Kiwanis Club	Light the Park	Install 3 Blue Light call boxes at Kiwanis Park.	\$15,000.00	Johnny Thompson	739-1661 1201x	1609 Felix Place, MWC, OK 73110
#10	MWC Community Development	Changeable Message Sign (trailer)	To purchase a changeable message sign (trailer).	\$18,500.00	Billy Harless	739-1228	100 N. Midwest Blvd., MWC, OK 73110
#11	Carl Albert HS Band Booster, Inc.	CAHS Band Enhancement	Purchase a trailer and instruments.	\$44,189.00	Richard Stephens	732-2323	9404 Orchard Blvd., MWC, OK 73130
#12	MWC High School Museum, Inc./Vietnam Memorial Project Com.	MWC HS Vietnam Memorial	Build a Vietnam Memorial to honor former students.	\$179,860.88	Bob Osmond	642-0277	2101 Pearson Dr., MWC, OK 73110
#13	Friends of the Oklahoma History Center	MWC Historic C-47 Exhibit	To preserve and restore historic WWII C-47 manufactured at the Douglas Plant in 1944 for exhibit.	\$75,000.00	Dan Provo	522-5380	800 Nazih Zuhdi Dr., OKC, OK 73105
#14	Rose State College	OK Business Conference	To provide scholarships to MWC small businesses and 2 MWC celebrities stipends.	\$9,450.00	Stan Greil	733-7488	6420 S.E. 15th St., MWC, OK 73110
#15	Divine Wisdom Worship Center	Van Purchase	Purchase 2 vans for after school program.	\$50,000.00	Theodis Manning Sr.	625-4305	8320 N.E. 10th, MWC OK 73110
#16	MWC Chamber of Commerce	MWC/Tinker 75th Anniversaries	Purchase/Payment for Gala, 75th Anniversary Documentary, Sculpture, Concert, Commemorative coins.	\$219,250.00	Bonnie Cheatwood	733-3801	5905 Prosper Blvd., MWC, OK 73110
#17	MWC Fire Dept.	Equipment upgrades	Purchase various items for enhanced job performance.	\$32,200.00	David Richardson	739-1342	8201 E. Reno, MWC, OK 73110
#18	Rose State College Foundation, Inc.	MWC Heritage Day with RSC Foundation	To purchase displays and provide demos to preserve the history of MWC and Tinker	\$15,000.00	Cindy Mikeman	736-0315	6420 S.E. 15th St., MWC, OK 73110
#19	Hope for Hope Foundation	Van Purchase/Equipment	To purchase a van and various equipment/uniforms.	\$68,431.75	Beverly Coate	371-1115	1608 McGregor Dr., MWC, OK 73130
#20	Crutcho Community Foundation	Crutcho Land Purchase/Track	To purchase land for a new school and build a running track.	\$1,750,000.00	Antonia Jennings	606-5949	2401 N. Air Depot, OKC, OK 73141
			Total Grant Application Requests:	\$2,619,076.39			
	Disqualified Applications	Reason					
#21	Carl Albert Homerun Club	Incomplete application.	Building an awning over bleachers and new fence.	\$200,000.00	Dusty Alexander	669-8361	4729 Newport Dr., Del City, OK 73115
#8	Literacy Link, Inc.	Requested this previously.	Upgrade computer software - Rosetta Stone/Eng. Curriculum and reading materials.	\$1,000.00	John Amicon	732-2737	8143 East Reno, MWC, OK 73110

#1

FY 2016-17 MCMHA Grant Application

Applicant

Legal Name of Organization: Mid-Del Public Schools

(Should be the same as your IRS determination letter and as supplied on IRS form 990)

Contact Person: Ryan Baker

Street Address: 213 Elm Drive City: Midwest City State: OK Zip: 73110

Mailing Address (If different) _____

Telephone 405-739-1741 x 5168 E-mail fbaker@mid-del.net

Website: www.mid-del.net Other social media: _____

Applicant Status - check all that apply (entities must have satisfied all legal requirements for status prior to submission of this application):

- Corporation
- Proprietorship
- Partnership
- Non-Profit
- Individual
- Government
- Limited Liability Co.
- Government/City Department

Application Category (Choose only one area that your project might affect the most):

- Economic Development
- Education
- Community
- Housing
- Safety
- Health
- Youth and Family
- Midwest City Revitalization
- Transportation
- Other (please explain) _____

Grant Information

1. What is the grant project? John Deere Gator and Storage Shed
2. Why do you need funds? State budget cuts on education have limited our resources to the point we cannot afford upgrades or new purchases.
3. How much are you requesting? \$ 24,000.00
4. What is the estimated total project cost? \$ 23824.12
5. Are you willing to accept less than the requested amount? Yes or No

If "No," please explain _____

FY 2016-17 MCMHA Grant Application

Applicant

Legal Name of Organization: The Eden Clinic Inc.

(Should be the same as your IRS determination letter and as supplied on IRS form 990)

Contact Person: Linda Cozadd

Street Address: 1315A Gateway Pkwy City: MWC State: OK Zip: 73110

Mailing Address (if different) P.O. Box 669 Norman OK 73070

Telephone 405-579-4673 E-mail linda@edenclinic.tv

Website: Edenclinic.tv Other social media: Facebook.com/Edenclinic

Applicant Status - check all that apply (entities must have satisfied all legal requirements for status prior to submission of this application):

- Corporation Proprietorship Partnership Non-Profit Individual
- Government Limited Liability Co. Government/City Department

Application Category (Choose only one area that your project might affect the most):

- Economic Development Education Community Housing
- Safety Health Youth and Family Midwest City Revitalization
- Transportation Other (please explain) _____

Grant Information

1. What is the grant project? Pregnancy & Pregnancy Wellness
 2. Why do you need funds? We are nonprofit and all our SERVICES ARE FREE OF CHARGE
 3. How much are you requesting? \$10,000
 4. What is the estimated total project cost? \$32,710
 5. Are you willing to accept less than the requested amount? Yes or No
- If "No," please explain _____

#3

FY 2016-17 MCMHA Grant Application

Applicant

Legal Name of Organization: RSVP of Central Oklahoma, Inc.

Contact Person: Beth Patterson

Street Address: 7401 NE 23 Street, Oklahoma City, OK 73140

Mailing Address (if different): N/A

Telephone: 405-605-3110 **E-mail:** beth.patterson@rsvpokc.org

Website: www.rsvpokc.org **Other social media:** www.facebook.com/rsvpokc

Applicant Status - check all that apply (entities must have satisfied all legal requirements for status prior to submission of this application):

- | | |
|---|---|
| <input checked="" type="checkbox"/> Corporation | <input type="checkbox"/> Individual |
| <input type="checkbox"/> Proprietorship | <input type="checkbox"/> Government |
| <input type="checkbox"/> Partnership | <input type="checkbox"/> Limited Liability Co. |
| <input checked="" type="checkbox"/> Non-Profit | <input type="checkbox"/> Government/City Department |

Application Category (Choose only one area that your project might affect the most):

- | | |
|---|--|
| <input type="checkbox"/> Economic Development | <input type="checkbox"/> Health |
| <input type="checkbox"/> Education | <input type="checkbox"/> Youth and Family |
| <input type="checkbox"/> Community | <input type="checkbox"/> Midwest City Revitalization |
| <input type="checkbox"/> Housing | <input checked="" type="checkbox"/> Transportation |
| <input type="checkbox"/> Safety | |

Grant Information

- What is the grant project? RSVP Provide-A-Ride Medical Transportation for low-income elderly persons who are no longer able to drive.
- Why do you need the funds? The funds will be used to purchase educational tools to inform low-income elderly persons about our free one-on-one, arm-through-arm medical transportation services available to them through RSVP Provide-A-Ride. Educational tools needed: retractable banner, program brochures and quarterly newsletters.
- How much are you requesting? \$ 5,900.
- What is the estimated total project cost? \$7,400.
- Are you willing to accept less than the requested amount?
 - Yes
 - No

#4

FY 2016-17 MCMHA Grant Application

Applicant:

Legal Name of Organization: City of Midwest City Parks and Recreation Department

Contact Person: Vaughn Sullivan

Street Address: 8730 SE 15th Street, Midwest City, OK 73110

Mailing Address (if different): N/A

Telephone: 405-739-1060 **E-mail:** vsullivan@midwestcityok.org

Website: www.oklahomalions.org

Other social media: www.facebook.com/midwestcitylionsclubs

Applicant Status - check all that apply (entities must have satisfied all legal requirements for status prior to submission of this application):

- Corporation
- Proprietorship
- Partnership
- Non-Profit
- Individual
- Government
- Limited Liability Co.
- Government/City Department

Application Category (Choose only one area that your project might affect the most):

- Economic Development
- Education
- Community
- Housing
- Safety
- Health
- Youth and Family
- Midwest City Revitalization
- Transportation

Grant Information

1. What is the grant project? 2016 Emergency Blue Phone Project for Lions Park, located at 2211 S. Midwest Blvd., Midwest City, Oklahoma.
2. Why do you need the funds? The funds will be used to purchase three Emergency Blue Phones (solar operated two-way voice communication, door-less callbox with locator/strobe) to be strategically located throughout the Lions Park to ensure the safety of the Midwest City families who utilize the park. This project will be a collaboration between the City of Midwest City Parks and Recreation Department and the Midwest City Lions Club. The City of Midwest City Parks and Recreation team will install the phones at no cost (in-kind contribution) and the Midwest City Lions Club will provide physical labor (as

FY 2016-17 MCMHA Grant Application

Applicant

Legal Name of Organization: Team Tinker Home Away from Home
(Should be the same as your IRS determination letter and as supplied on IRS form 990)

Contact Person: Pam Kloiber, Executive Director

Street Address: PO Box 45522 City: Tinker AFB State: OK Zip: 73145

Mailing Address (If different) _____

Telephone 405-503-5041 E-mail pamkloiber@aol.com

Website: teamtinkerhomeawayfromhome.org Other social media: Facebook:Tinker Home Away from Home

Applicant Status - check all that apply (entities must have satisfied all legal requirements for status prior to submission of this application):

- Corporation Proprietorship Partnership Non-Profit Individual
- Government Limited Liability Co. Government/City Department

Application Category (Choose only one area that your project might affect the most):

- Economic Development Education Community Housing
- Safety Health Youth and Family Midwest City Revitalization
- Transportation Other (please explain) _____

Grant Information

1. What is the grant project? Team Tinker Home Away From Home
2. Why do you need funds? Mentor Airmen and Sailors through monthly activities to support the Air Force's and Navy's resiliency plan.
3. How much are you requesting? \$ 47,094.76
4. What is the estimated total project cost? \$ 47,094.76
5. Are you willing to accept less than the requested amount? Yes or No
If "No," please explain _____

2016-17 MCMHA Grant Application

Applicant Legal Name of Organization: City of Midwest City Parks and Recreation Department.

(Should be the same as your IRS determination letter and as supplied on IRS form 990)

Contact Person: Vaughn K. Sullivan

Street Address: 8730 S.E. 15 St. **City:** Midwest City **State:** OK **Zip:** 73110

Mailing Address (if different) _____

Telephone (405) 739-1061 **E-mail** vsullivan@midwestcityok.org

Website: midwestcityok.org **Other social media:** _____

Applicant Status - check all that apply (entities must have satisfied all legal requirements for status prior to submission of this application):

- Corporation Proprietorship Partnership Non-Profit Individual
- Government Limited Liability Co. Government/City Department

Application Category (Choose only one area that your project might affect the most):

- Economic Development Education Community Housing
- Safety Health Youth and Family Midwest City Revitalization
- Transportation

Grant Information

1. Project title: 2017 (2) Six Passenger Shuttle Style Golf Cars
2. Project summary: The golf cars would be used during special events and festivals to transport staff, volunteers, patrons and/or public safety personnel to and from parking lots and various event venues and assignment with the parks or golf courses. In addition, the cars would be street legal and could be used in the hospitality district to transport conference and convention guest to and from satellite hotels. Owning would allow us to forgo the current rental cost of approximately \$2000.00 annually.
3. For what purpose will the grant funds be used? Purchase Two Shuttle Style Golf Cars
4. Amount of grant funds requested: \$20,000.00
5. If funding is unavailable for the full amount of the grant request, would the applicant be willing to accept less than the requested amount? Yes or No

FY 2016-17 MCMHA Grant Application

Applicant

Legal Name of Organization: City of Midwest City, Parks and Recreation Department
(Should be the same as your IRS determination letter and as supplied on IRS form 990)

Contact Person: Vaughn Sullivan

Street Address: 8730 SE 15th Street City: Midwest City State: OK Zip: 73110

Mailing Address (If different) _____

Telephone 405-739-1061 **E-mail** vsullivan@midwestcityok.org

Website: midwestcityok.org **Other social media:** _____

Applicant Status - check all that apply (entities must have satisfied all legal requirements for status prior to submission of this application):

- Corporation
- Proprietorship
- Partnership
- Non-Profit
- Individual
- Government
- Limited Liability Co.
- Government/City Department

Application Category (Choose only one area that your project might affect the most):

- Economic Development
- Education
- Community
- Housing
- Safety
- Health
- Youth and Family
- Midwest City Revitalization
- Transportation
- Other (please explain) _____

Grant Information

1. What is the grant project? Mid-America Park Master Plan Proposal

2. Why do you need funds? To create a master plan for the existing 16+ acre Mid-America Park, along with tying it together to Salisbury Park (3 acres) to the south with the newly acquired 30-acre parcel creating a 49-acre park.

3. How much are you requesting? \$16,000.00

4. What is the estimated total project cost? \$16,000.00

5. Are you willing to accept less than the requested amount? Yes or No

If "No," please explain _____

#9

FY 2016-17 MCMHA Grant Application

Applicant

Legal Name of Organization: MWC Kiwanis Club
(Should be the same as your IRS determination letter and as supplied on IRS form 990)

Contact Person: Johnny Thompson

Street Address: 1609 Felix Pl City: MWC State: OK Zip: 73110

Mailing Address (If different) _____

Telephone 739-11661 ext 7201 E-mail johnnyt@mid-del.net

Website: _____ Other social media: _____

Applicant Status - check all that apply (entities must have satisfied all legal requirements for status prior to submission of this application):

- Corporation
- Proprietorship
- Partnership
- Non-Profit
- Individual
- Government
- Limited Liability Co.
- Government/City Department

Application Category (Choose only one area that your project might affect the most):

- Economic Development
- Education
- Community
- Housing
- Safety
- Health
- Youth and Family
- Midwest City Revitalization
- Transportation
- Other (please explain) _____

Grant Information

1. What is the grant project? Light the Park
 2. Why do you need funds? Install 3 Blue Light call boxes at Kiwanis Park
 3. How much are you requesting? \$ 15,000
 4. What is the estimated total project cost? \$ 15,000
 5. Are you willing to accept less than the requested amount? Yes or No
- If "No," please explain _____

#10

FY 2016-17 MCMHA Grant Application

Applicant

Legal Name of Organization: City of Midwest City, Community Development Dept. (Should be the same as your IRS determination letter and as supplied on IRS form 990)

Contact Person: Billy Harless, Community Development Director

Street Address: 100 N. Midwest Blvd. City: Midwest City State: OK Zip: 73110

Mailing Address (If different)

Telephone 405-739-1228 E-mail bharless@midwestcityok.org

Website: midwestcityok.org Other social media:

Applicant Status - check all that apply (entities must have satisfied all legal requirements for status prior to submission of this application):

- Corporation, Proprietorship, Partnership, Non-Profit, Individual, Government, Limited Liability Co., Government/City Department

Application Category (Choose only one area that your project might affect the most):

- Economic Development, Education, Community, Housing, Safety, Health, Youth and Family, Midwest City Revitalization, Transportation, Other (please explain)

Grant Information

- 1. What is the grant project? To purchase a changeable message sign (trailer)
2. Why do you need funds? To purchase a changeable message sign (trailer)
3. How much are you requesting? \$ 18,500.00
4. What is the estimated total project cost? \$ 18,500.00
5. Are you willing to accept less than the requested amount? Yes or No

If "No," please explain

#11

FY 2016-17 MCMHA Grant Application

Applicant

Legal Name of Organization: CAHS Band Booster, Inc.

(Should be the same as your IRS determination letter and as supplied on IRS form 990)

Contact Persons: Richard B. Stephens, Jr. and Steven C. Thomas, Sr. (Co-Presidents)

Street Address: 9404 Orchard Blvd City: Midwest City State: Oklahoma Zip: 73130

Mailing Address (If different) P.O. Box 46081, Tinker AFB, Ok 73145

Telephone Stephens: 405-732-2323, Thomas: 405-371-9430 **E-mail:** RStephensOK@gmail.com, Thomas1972steven@gmail.com

Website: <http://cahsband.org>

Other social media:

CAHS: www.facebook.com/carlaalberthighschool.

CAHS Band Public Group: www.facebook.com/groups/233735056659998

Twitter name is @cahs_band. Instagram name is cahsband

Applicant Status - check all that apply (entities must have satisfied all legal requirements for status prior to submission of this application):

Corporation	Proprietorship	Partnership	<input checked="" type="checkbox"/> Non-Profit	Individual
Government	Limited Liability Co.		Government/City Department	

Application Category (Choose only one area that your project might affect the most):

Economic Development	Education	Community	Housing
Safety	Health	Youth and Family	Midwest City Revitalization
<input checked="" type="checkbox"/> Transportation	Other (please explain) _____		

Grant Information

1. What is the grant project? Title: **CAHS Band Enhancement**.. Three areas are requested, in descending priority of need.

a. Purchase a trailer, renovate the interior and add storage compartments, and add a vinyl adhesive wrap on the outside to proudly display the logos and wording of CAHS and the Titan Marching Band of Midwest City. Repair, buy new tires for, and add new vinyl wrap to two existing pull-along trailers whose paint is peeling and logos are flaking off. Estimated costs:

(1). Semi-trailer or moving van: \$9,500. Wood compartments/storage added: \$3,000. Vinyl wrap: \$7,000 - \$10,000. Total: \$19,500 - \$22,500.

(2) Two pull trailer repair and new tires: \$800. Vinyl wrap of trailers: Grey (196"L x 78"H): \$1,200.

#12

FY 2016-17 MCMHA Grant Application

Applicant
Legal Name of Organization: MIDWEST CITY HIGH SCHOOL MUSEUM, INC. —
MCHS VIETNAM MEMORIAL PROJECT COMMITTEE
(Should be the same as your IRS determination letter and as supplied on IRS form 990)

Contact Person: BOB OSMOND

Street Address: 2101 PEARSON DR. City: MIDWEST CITY State: OK Zip: 73110

Mailing Address (If different) _____

Telephone (405) 642-0277 E-mail ROSMOND@3@ATT.NET

Website: _____ Other social media: _____

Applicant Status - check all that apply (entities must have satisfied all legal requirements for status prior to submission of this application):

- Corporation
- Proprietorship
- Partnership
- Non-Profit
- Individual
- Government
- Limited Liability Co.
- Government/City Department

Application Category (Choose only one area that your project might affect the most):

- Economic Development
- Education
- Community
- Housing
- Safety
- Health
- Youth and Family
- Midwest City Revitalization
- Transportation
- Other (please explain) _____

Grant Information

1. What is the grant project? BUILD A VIETNAM MEMORIAL TO HONOR 22 FORMER STUDEN WHO WERE KILLED IN ACTION AND OTHER MCHS VETER
2. Why do you need funds? TO SUPPLEMENT THE ADDITIONAL FUNDS WHICH WILL BE RAISED THROUGH DONATIONS FROM FRIENDS, FAMILY + ALL
3. How much are you requesting? \$ 179,860.88
4. What is the estimated total project cost? \$ 420,000.00
5. Are you willing to accept less than the requested amount? Yes or No

If "No," please explain _____

#13

FY 2016-17 MCMHA Grant Application

Applicant

Legal Name of Organization: Friends of the Oklahoma History Center
(Should be the same as your IRS determination letter and as supplied on IRS form 990)

Contact Person: Dan Provo, Secretary

Street Address: 800 Nazih Zuhdi Drive City: Oklahoma City State: OK Zip: 73105

Mailing Address (If different)

Telephone 405-522-5380 E-mail dprovo@okhistory.org

Website: www.okhistory.org Other social media:

Applicant Status - check all that apply (entities must have satisfied all legal requirements for status prior to submission of this application):

- Corporation, Proprietorship, Partnership, Non-Profit, Individual, Government, Limited Liability Co., Government/City Department

Application Category (Choose only one area that your project might affect the most):

- Economic Development, Education, Community, Housing, Safety, Health, Youth and Family, Midwest City Revitalization, Transportation, Other (please explain)

Grant Information

- 1. What is the grant project? Midwest City Historic C-47 Exhibit
2. Why do you need funds? To preserve and restore historic WWII C-47 manufactured at the Douglas Plant in 1944 for exhibit.
3. How much are you requesting? \$ 75,000
4. What is the estimated total project cost? \$ 151,750
5. Are you willing to accept less than the requested amount? Yes or No
If "No," please explain

FY 2016-17 MCMHA Grant Application

#14

Applicant

Legal Name of Organization: Rose State College

(Should be the same as your IRS determination letter and as supplied on IRS form 990)

Contact Person: Stan Greil, VP Workforce and Community Development

Street Address: 6420 SE 15th St City: Midwest City State: OK Zip: 73110

Mailing Address (If different) _____

Telephone 405.733.7488 **E-mail** sgreil@rose.edu

Website: www.rose.edu **Other social media:** _____

Applicant Status - check all that apply (entities must have satisfied all legal requirements for status prior to submission of this application):

- Corporation Proprietorship Partnership Non-Profit Individual
- Government Limited Liability Co. Government/City Department

Application Category (Choose only one area that your project might affect the most):

- X Economic Development Education Community Housing
- Safety Health Youth and Family Midwest City Revitalization
- Transportation Other (please explain) _____

Grant Information

1. What is the grant project? Start or Grow Your Oklahoma Business conference to celebrate Midwest City 75th anniversary.
2. Why do you need funds? Provide scholarships to Midwest City Small Businesses and 2 Midwest City celebrities stipends
3. How much are you requesting? \$ \$9450.00
4. What is the estimated total project cost? \$ \$10,000.000
5. Are you willing to accept less than the requested amount? Yes or No

#15

FY 2016-17 MCMHA Grant Application

Applicant

Legal Name of Organization: Divine Wisdom Worship Center
(Should be the same as your IRS determination letter and as supplied on IRS form 990)

Contact Person: Theodis Manning SR.

Street Address: 8320 NE 10th City: MWC State: OK Zip: 73110

Mailing Address (If different) _____

Telephone 405-625-4305 E-mail theodis.manning@yahoo.com

Website: www.divinewisdomoke.org Other social media: _____

Applicant Status - check all that apply (entities must have satisfied all legal requirements for status prior to submission of this application):

- Corporation Proprietorship Partnership Non-Profit Individual
- Government Limited Liability Co. Government/City Department

Application Category (Choose only one area that your project might affect the most):

- Economic Development Education Community Housing
- Safety Health Youth and Family Midwest City Revitalization
- Transportation Other (please explain) _____

Grant Information

1. What is the grant project? Purchase 2 Vans for After School Program.
2. Why do you need funds? Current Vehicles (1 24 passenger + 2 Fifteen Passengers) ARE OLD, WORNED out + only one van works.
3. How much are you requesting? \$ 50,000⁰⁰
4. What is the estimated total project cost? \$ 50,000⁰⁰
5. Are you willing to accept less than the requested amount? Yes or No

If "No," please explain _____

#16

FY 2016-17 MCMHA Grant Application

Applicant

Legal Name of Organization: Midwest City Chamber of Commerce

(Should be the same as your IRS determination letter and as supplied on IRS form 990)

Contact Person: Bonnie Cheatwood

Street Address: 5905 Prosper Blvd. City: Midwest City State: OK Zip: 73110

Mailing Address (If different) PO Box 10980

Telephone 405-733-3801 **E-mail** bonnie.cheatwood@midwestcityok.com

Website: www.midwestcityok.com **Other social media:** Facebook & Twitter

Applicant Status - check all that apply (entities must have satisfied all legal requirements for status prior to submission of this application):

- Corporation Proprietorship Partnership Non-Profit Individual
 Government Limited Liability Co. Government/City Department

Application Category (Choose only one area that your project might affect the most):

- Economic Development Education Community Housing
 Safety Health Youth and Family Midwest City Revitalization
 Transportation Other (please explain) _____

Grant Information

1. What is the grant project? Midwest City & Tinker AFB 75th Anniversaries
2. Why do you need funds? The projects proposed are out of the normal scope of the Chamber's budget and are encompassing of the entire community and Tinker AFB.
3. How much are you requesting? \$ 219,250.00
4. What is the estimated total project cost? \$ 219,250.00
5. Are you willing to accept less than the requested amount? Yes or No

If "No," please explain We will accept a lesser amount, however the amount requested is needed in order to showcase the history and relationship between Midwest City and Tinker AFB as we celebrate a monumental anniversary.

Applicant

Legal Name of Organization: Midwest City Fire Department
 (Should be the same as your IRS determination letter and as supplied on IRS form 990)

Contact Person: David Richardson, Administration Major

Street Address: 8201 E. Reno City: MWC State: OK Zip: 73110

Mailing Address (If different) _____

Telephone 405-739-1342 **E-mail** drichardson@midwestcityok.org

Website: <http://midwestcityok.org/fire-department> **Other social media:** <https://www.facebook.com/MWCFD>

Applicant Status - check all that apply (entities must have satisfied all legal requirements for status prior to submission of this application):

- Corporation
 Proprietorship
 Partnership
 Non-Profit
 Individual
 Government
 Limited Liability Co.
 Government/City Department

Application Category (Choose only one area that your project might affect the most):

- Economic Development
 Education
 Community
 Housing
 Safety
 Health
 Youth and Family
 Midwest City Revitalization
 Transportation
 Other (please explain) _____

Grant Information

1. What is the grant project? Bullet Proof vests, Hydrovent Nozzles, K12 Rescue Saws w/ warthog blades, Home Safety mailers, & Uniform Badges
2. Why do you need funds? These items are "wish" list items to enable the fire department to their job better, but not an absolute necessity, thus not items budgeted.
3. How much are you requesting? \$ 32,200
4. What is the estimated total project cost? \$ 32,200
5. Are you willing to accept less than the requested amount? Yes or No

COPY
#18

FY 2016-17 MCMHA Grant Application

Applicant

Legal Name of Organization: Rose State College Foundation, Inc.
(Should be the same as your IRS determination letter and as supplied on IRS form 990)

Contact Person: Cindy Mikeman

Street Address: 6420 SE 15th Street **City:** Midwest City **State:** OK **Zip:** 73110

Mailing Address (If different) _____

Telephone 405-736-0315 **E-mail** cmikeman@rose.edu

Website: www.rose.edu **Other social media:** Facebook

Applicant Status - check all that apply (entities must have satisfied all legal requirements for status prior to submission of this application):

- Corporation Proprietorship Partnership Non-Profit Individual
 Government Limited Liability Co. Government/City Department

Application Category (Choose only one area that your project might affect the most):

- Economic Development Education Community Housing
 Safety Health Youth and Family Midwest City Revitalization
 Transportation Other (please explain) _____

Grant Information

1. What is the grant project? Midwest City Heritage Day w/ RSC Foundation
2. Why do you need funds? To purchase displays and provide demonstrations to preserve the history of Midwest City and the City's relationship with Tinker Air Force Base.
3. How much are you requesting? \$ 15,000
4. What is the estimated total project cost? \$ 22,890
5. Are you willing to accept less than the requested amount? Yes or No
If "No," please explain _____

#19

FY 2016-17 MCMHA Grant Application

Applicant

Legal Name of Organization: Hope for Hope Foundation
(Should be the same as your IRS determination letter and as supplied on IRS form 990)

Contact Person: Beverly Coate - Organization Secretary/Treasurer

Street Address: City: State: Zip: 1608 McGregor Dr. -- Midwest City, OK, 73130

Mailing Address (If different) _____

Telephone 405-371-1115 **E-mail:** bcoate6@gmail.com

Website: Other social media: Not yet available

Applicant Status - check all that apply (entities must have satisfied all legal requirements for status prior to submission of this application):

- Corporation Proprietorship Partnership Non-Profit Individual
- Government Limited Liability Co. Government/City Department

Application Category (Choose only one area that your project might affect the most):

- Economic Development Education Community Housing
- Safety Health Youth and Family Midwest City Revitalization
- Transportation Other (please explain) _____

Grant Information

1. What is the grant project? See attached Mission Statement

2. Why do you need funds? See attached statement

3. How much are you requesting? \$68,431.75

4. What is the estimated total project cost? \$ 68,431.75

5. Are you willing to accept less than the requested amount? Yes or No

If "No," please explain _____

#20

FY 2016-17 MCMHA Grant Application

Applicant

Legal Name of Organization: Crutcho Community Foundation
(Should be the same as your IRS determination letter and as supplied on IRS form 990)

Contact Person: Antonia Jennings

Street Address: 2401 N. AIR DEPOT City: OKlahoma^{city} State: OK Zip: 73141

Mailing Address (If different) _____

Telephone 405-606-5949 E-mail ajennings@crutcho.esd.org

Website: Crutcho Community Foundation.org Other social media: _____

Applicant Status - check all that apply (entities must have satisfied all legal requirements for status prior to submission of this application):

- Corporation
- Proprietorship
- Partnership
- Non-Profit
- Individual
- Government
- Limited Liability Co.
- Government/City Department

Application Category (Choose only one area that your project might affect the most):

- Economic Development
- Education
- Community
- Housing
- Safety
- Health
- Youth and Family
- Midwest City Revitalization
- Transportation
- Other (please explain) _____

Grant Information

1. What is the grant project? A Running track & Purchase land for a new school Building
 2. Why do you need funds? To help purchase land for a new school building and a running track
 3. How much are you requesting? \$ 1,750,000.00
 4. What is the estimated total project cost? \$ 1,750,000.00
 5. Are you willing to accept less than the requested amount? Yes or No
- If "No," please explain _____



Midwest City Memorial Hospital Authority

100 North Midwest Boulevard
Midwest City, Oklahoma 73110
(405) 739-1204 FAX (405) 739-1208

J. Guy Henson
*General Manager/
Administrator*

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Matt Dukes
Susan Eads
Pat Byrne
Rick Dawkins
Sean Reed
Christine Allen
Jeff Moore

Board of Grantors

Sherry Beaird
John Cauffiel
Marcia Conner
Pam Dimski
Dara McGlamery
Joyce Jackson
Charles McDade
Nancy Rice
Sheila Rose

Board of Grantors

Grant Applications Evaluations

Applicant	Desired Purchase	Amount Requested	#1	#2	#3	#4	#5	#6	#7	#8	#9	Total Scores	Average Scores	BOG Evaluation Comments (Red = Question, Blue = Answers, Black = other comments)	Final BOG \$ Proposed after 01-26-17 meeting
MWC Community Development	Changeable Message Sign (trailer)	\$18,500.00	100	100	80	97	95	100	100	75	80	827	92	Full amount. / Helpful to our smooth-running traffic.	18,500.00
MWC Fire Dept.	Equipment upgrades	\$32,200.00	100	100	30	99	100	100	100	50	100	779	87	Keeping our firemen safe is essential. / 100% for parial funding of \$10,400 - yes to the bullet proof vests and badges...other items should be in budget. / Of the items requested, two standout, the bullet proof vest and the Home Safety mailers = \$8,600. / Fully fund all except badges at 70%.	9,790.00
MWC Park and Rec	Mid-America Park Master Plan Proposal	\$16,000.00	100	75	65	70	93	100	100	100	70	773	86	Partial fund for \$8000. / Need a plan to best utilize the gift of donated land. / This park and extension of our trial system is very nice. A question I have is does the Police Dept. think safety could be an issue in this crime-ridden part of town? No, per Chief / Great improvement to family life on the North side of MWC. / Unclear project outcome evaluation process.	16,000.00
MWC Kiwanis Club	Light the Park	\$15,000.00	100	100	42	94	90	100	40	90	90	746	83	Partial fund for \$7500. / Visitors to the park will enjoy a sense of security. / Should be combined with request #4 and perhaps purchased together for savings? / Children/young teens use this park.	10,000.00
RSVP of Central OK, Inc.	Educational tools: Banner, brochures and newsletters for non-driving elderly	\$5,900.00	100	100	63	90	96	0	100	90	90	729	81	Full amount. / Much needed for the aging population of MWC. / Second request for consumables (funded in 2014-15) - This is worthwhile; however, it is recurring expenses. / This is of great value to our elderly.	0.00
MWC Parks & Rec.	Blue lights for Lion's Park	\$19,200.00	100	75	50	95	90	100	0	90	100	700	78	Partial fund for \$9600. / Good for entire community - provide security. / Worthwhile use of our funds, which are one-time and benefit MWC citizens. / Wonder about the outcome of the blue lights at Regional? Per the EOC and Police, the Blue Lights at Regional are worth the expense and occasional miscall as they increase public safety.	10,000.00
Rose State College Foundation, Inc.	MWC Heritage Day with RSC Foundation	\$15,000.00	50	100	49	92	98	100	40	80	90	699	78	I recommend we fund \$7500. / Community needs more things like this! / Seems like a fun project for MWC's citizens. / This would duplicate parts of Grant #16, if is approved.	15,000.00
Rose State College	OK Business Conference	\$9,450.00	25	75	60	98	94	80	70	100	90	692	77	Full amount. / Business helps the City, which helps citizens. / This request has merit, but aren't local business owners already aware of the topics to be discussed at this conference?	9,450.00
Team Tinker Home Away from Home	Mentorship and activities for TAFB	\$47,094.76	0	100	40	85	95	100	100	75	85	680	76	No benefit to MWC residents. / Can this happen without the assistance? Yes, but funds would broaden the scope of services. Partial fund for \$28,000. / Very commendable program. / Worthwhile, but we should not fund a salary -even for a year. 100% for project #2 \$28,500, plus for computer and printer = \$30,500. / I believe this project helps strengthen our relationship with Tinker. / Parial fund. / Ongoing funding for salary is uncertain - future funding resources unknown.	0.00
The Eden Clinic, Inc.	Pregnancy and Wellness	\$10,000.00	100	75	52	3	80	100	100	70	90	670	74	Partial fund for \$5000. / While applauding the cause, this does not benefit the entire community. / Sadly, this type of service is all-too-needed in our City. Supplies - once only.	10,000.00
Friends of the Oklahoma History Center	MWC Historic C-47 Exhibit	\$75,000.00	75	100	70	60	94	80	100	80	0	659	73	Full amount. / This request meets the critiera, but is very expensive. / Preserving MWC/Tinker History. / Plan of operation, objectives, and budget are all somewhat unclear - worthy project, but possible private funding needed for completion.	75,000.00
MWC Chamber of Commerce	MWC/Tinker 75th Anniversaries	\$219,250.00	75	100	55	50	98	100	100	0	49	627	70	Maybe fund \$55,000 for Documentary and coins. / Important, but a big chunk of our funds. / 100% for partial funding only of \$30,000 - The scupture should be displayed at City Hall where more people can see it. / Recusing myself - serve on 75th Anniversary Committee. / Plan of Operation seems only partially reasonable - objectives only somewhat clear - Pride is not a measurable evaluation for a project outcome - A=90%; B=75%; C=40%; D=90%; E=0%.	209,956.00

Applicant	Desired Purchase	Amount Requested	#1	#2	#3	#4	#5	#6	#7	#8	#9	Total Scores	Average Scores	BOG Evaluation Comments (Red = Question, Blue = Answers, Black = other comments)	Final BOG \$ Proposed after 01-26-17 meeting
MWC Parks & Rec.	Shuttle Golf Cars for Special Events Etc.	\$20,000.00	100	80	52	75	92	0	90	60	70	619	69	Partial fund for \$10,000. / Helpful for entire community - useful for events. / Worthwhile; however, our funds are limited. / Funding for one cart in full, but both 70%.	20,000.00
Mid-Del Public Schools	John Deere Gator/Storage Shed	\$24,000.00	25	100	0	80	95	100	50	60	100	610	68	It's important to help our schools during their budget crunch. / Very well done application. Objectives are clearly stated. / Replacement = ongoing? Fund actual cost.	21,304.00
Carl Albert HS Band Booster, Inc.	CAHS Band Enhancement	\$44,189.00	0	100	0	4	95	100	80	60	80	519	58	Small number will benefit. / This is limiting as to who it helps - not the community at large. / I like the application; if needed, we could fund just the trailers and trailer enhancements. / Does C.A. own a Semi-truck to pull that trailer? They do not, but plan to rent or borrow one (as other groups do) and they do have a volunteer driver with a Class A license to help them. Isn't replacing tires maintenance expenses? Yes to a partial. / Partial funding of 80% for part two and three, but 95% funding for part one.	0.00
Divine Wisdom Worship Center	Van Purchase	\$50,000.00	0	100	5	65	90	100	0	10	80	450	50	Great program helping at-risk children - these type of programs are essential in helping these students. / 100% for one truck (\$25,000) - Worthwhile program for at-risk youths. / Statement of need, future funding, budget needs are unclear.	25,000.00
Hope for Hope Foundation	Van/Equipment Purchase	\$68,431.75	0	100	0	96	85	0	50	0	0	331	37	Does Hope for Hope have facilities to house the vans? No, per Ms. Coate / Much needed. / We must help our at-risk children for our community to grow. / Although this is a worthwhile project, I would consider partial funding if this Foundation was already up and running. / Unclear if this organization is up and running - objectives are worthwhile, but not realistic - how the budget needs will be met are unclear (bake sales, donations are mentioned) - organization does not appear to exist.	0.00
MWC High School Museum, Inc./Vietnam Memorial Project Com.	MWC HS Vietnam Memorial	\$179,860.88	25	75	0	15	95	0	0	20	50	280	31	Although very worthwhile, our City has a Veterans Memorial honoring all our veterans. / This project is too narrow in scope. It has limited impact for the City as a whole. / Plan of operation only somewhat clear - only 22 veterans are mention (too small for large community) - Future funding unclear, will maintenance be required of Mid-Del Schools? Routine maintenance such as landscaping and light bulbs they will continue to take care of as they do now for the museum. The Committee will handle any electronic failure for the new computer. - I would like to see a memorial building in a more central MWC location to honor all from MWC, but we already have a veterans memorial at Regional Park so why not add to that?	0.00
Crutcho Community Foundation	Land/Track Purchase	\$1,750,000.00	0	80	0	10	93	0	0	0	0	183	20	Too expensive. / Future funding resources needs work. / Not sure what we could give them would help much. / Good cause; I'd rather fund more grants than give all funds to this. Perhaps, partial funding. / I love the running track. We just don't have the available funds. / This grant seems incomplete - rather vague. / Plan of operation, statement of need, objectives, outcome evaluation, future funding, and budget are all unclear - This is very unrealistic - smaller walking path is more feasible - new school will be at different location - waste of \$ for walking path.	0.00
		\$2,619,076.39													\$450,000.00



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Dara McGlamery
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Sheila Rose

Past Awarded Grant Applications

MWC Hospital Authority GRANT RECIPIENTS 2015-16

GRANT RECIPIENT	PURCHASE ITEM	AWARD AMOUNT	EXPENDITURES	MONEY RETURNED	BALANCE	REMARKS
MWC Police	Protective Cooling Vests for 2 K-9s	\$1,175.94	\$1,175.94		\$0.00	
MWC Police	Training Simulator	\$146,101.90	\$146,102.00		\$0.00	
MWC Economic Development	Heritage Park Mall Redev. Feasibility Study	\$27,500.00			\$27,500.00	
Mid-Del Schools Foundation, Inc.	Subscribe to Ready to Learn/First Book	\$7,000.00	\$7,000.00		\$0.00	
MWC Community Development	Innovation District Plan	\$62,500.00			\$62,500.00	
MWC Tree Board	2015 Parklawn Beautification Project	\$38,000.00			\$38,000.00	
MWC Tree Board	2015 Hudiburg Dr. Island Irrigation Project	\$28,300.00			\$28,300.00	
MWC Fire	Fire wish list for equipment	\$100,000.00			\$100,000.00	
Rose State College	Amphitheater Modernization	\$8,495.00			\$8,495.00	
Mid-Del Food Pantry, Inc.	Dry Storage Building	\$4,000.00			\$4,000.00	
MWC Parks & Recreation	Festival Inflatables Project	\$1,927.16		\$1,927.16	\$0.00	This was not enough money for the purchase.
	Total Award Amount	\$425,000.00				
	Sub-Totals		\$154,277.94	\$0.00	268,795.00	
	Current year funding approved by Council	\$425,000.00				
	Total FY 13-14 Grant Expenditures				154,277.94	
	Monies Returned to Hospital Authority Account				0.00	
	Total FY 13-14 Grant Monies Remaining				270,722.06	
Updated 05/20/16 JD	Totaling				425,000.00	

MWC Hospital Authority GRANT RECIPIENTS 2014-15

GRANT RECIPIENT	PURCHASE ITEM	AWARD AMOUNT	EXPENDITURES	MONEY RETURNED	BALANCE	REMARKS
MWC Police - (Capt. Jonathon Goforth)	Wearable Video Camera System	\$61,000.00			\$61,000.00	On-going do to law passed beginning of Nov. Update: We are going out to bid again for the Body Cams and hopefully will be on the February 23rd Council Agenda.
Rose State College (Cindy Mikeman)	Atkinson Heritage Center Revitalization Project II	\$47,581.00	\$47,581.00		\$0.00	
MWC Grants Management (Teri Craft)	Midwest City Boys and Girls Club Pilot Program	\$75,000.00	\$75,000.00		\$0.00	
MWC Public Relations (Kay Hunt)	Stories of Christmas	\$91,000.00	\$91,000.00		\$0.00	On-going
MWC Fire (Jarett Metheny/David Richardson)	Community Risk Reduction Partnership (CRRP)	\$27,848.26	\$27,738.13		\$110.13	Left a voice mail on 11-2-15
Mid-Del Public Schools (Pam Deering)	Sprigeo - A Safety Initiative	\$16,794.60	\$16,794.60		\$0.00	Sent an email on 11-2-15
MWC Tree Board (Vaughn Sullivan)	29th & I-40 Island Beautification	\$14,800.00	\$14,963.78		\$0.00	
MWC Parks and Recreation (Vaughn Sullivan)	Emergency Blue Phone Project	\$38,776.14	\$36,638.98	\$2,137.16	\$0.00	
RSVP of Central OK Inc. (Beth Patterson)	RSVP Provide-A-Ride Medical Trans.	\$1,900.00	\$1,900.00		\$0.00	
MWC Tree Board (Vaughn Sullivan)	Midwest Blvd Street Beautification	\$25,300.00	\$20,463.21		\$4,836.79	
	Total Award Amount	\$400,000.00				
	Sub-Totals		\$332,079.70	\$2,137.16	\$65,946.92	
	Current year funding approved by Council	\$400,000.00				
	Total FY 13-14 Grant Expenditures				\$332,079.70	
	Monies Returned to Hospital Authority Account				\$2,137.16	
	Total FY 13-14 Grant Monies Remaining				\$65,783.14	
Updated 11/03/15 - JD	Totaling				\$400,000.00	

MWC Hospital Authority GRANT RECIPIENTS 2013-14

GRANT RECIPIENT	PURCHASE ITEM	AWARD AMOUNT	EXPENDITURES	MONEY RETURNED	BALANCE	REMARKS
City of Midwest City/Fire Dept	Fire Command Training Center	\$32,000.00	\$32,000.00		\$0.00	
City of Midwest City/Golf Course	First Tee National Program	\$10,000.00	\$10,000.00		\$0.00	
City of Midwest City/311 App	City Of MWC Mobile 311 App	\$20,000.00	\$19,924.00	\$76.00	\$0.00	Kay Hunt is including this app in a "Stay Connected" marketing campaign and will use the remaining \$76 as part of the ad campaign. Reminder email sent 11-2-15.
Midwest City Chamber of Commerce	Town Center Electronic Event Billboard	\$80,584.87	\$41,188.21		\$39,396.66	1st half of bill paid on 9/29/16 and 2nd half to be paid upon completion. Due to construction on the site of the Billboard (29th & Air Depot) this grant is extended
MWC Parks and Rec Dept	Mobile Stage	\$155,000.00	\$155,000.00		\$0.00	\$5060.00 authorized for transfer to cover costs. Total spent \$160,000.00
Rose State College - Atkinson	Atkinson Heritage Center Project - landscaping	\$52,415.13	\$52,415.13			
	Total Award Amount	\$350,000.00				
	Sub-Totals		\$310,527.34	\$76.00	\$39,396.66	
	Current year funding approved by Council	\$350,000.00				
	Total FY 13-14 Grant Expenditures				\$310,527.34	
	Monies Returned to Hospital Authority Account				\$76.00	
	Total FY 13-14 Grant Monies Remaining				\$39,396.66	
Revised 11/03/15 - JD	Totaling				\$350,000.00	

MWC Hospital Authority GRANT RECIPIENTS 2012-13

GRANT RECIPIENT	PURCHASE ITEM	AWARD AMOUNT	EXPENDITURES	MONEY RETURNED	BALANCE	REMARKS
City of Midwest City/Fire Dept	Firefighter safety & health equipment	\$18,755.00	\$18,755.00		\$0.00	Letter requesting receipts and outcome report sent on 4-8-14, Email request for receipts and outcome reports sent on 6-10-14
City of Midwest City/Golf Course	Replace fence south side golf course	\$50,000.00	\$50,000.00		\$0.00	A 6-month extension approved on 3-7-14, Email request for expenditures sent 6-10-14
City of Midwest City/Grants Mgmt	Original mile median improvement project	\$50,000.00	\$50,000.00		\$0.00	A 6-month extension approved on 2-5-14, a 6-month extension approved 11-24-14
City of Midwest City/Police Dept	Covered parking specialty equipment & vehicles	\$14,000.00	\$14,000.00		\$0.00	Outcome Report and expenditures submitted
Midwest City Rotary Club	Erection of Veterans' Memorial - 2 grant year total	\$60,000.00	\$60,000.00		\$0.00	Outcome Report and expenditures submitted
Midwest City Tree Board	SE 15th Street Beautification Project	\$35,000.00	\$32,064.20	\$2,935.80	\$0.00	A 6-month extension approved on 3-7-14
Mid-Del City Public Schools Foundation	Bot Ball educational Robotics	\$25,000.00	\$22,923.38	\$2,076.62		Budget modification approved on 12-2-13, Letter requesting receipts and outcome report sent on 4-8-14, Email request for receipts and outcome reports sent on 6-10-14, Letter to be sent 11-26-2014
Regional Food Bank of OK	Expansion of MWC childhood hunger programs	\$25,000.00	\$25,000.00		\$0.00	Expenditures submitted, Email request for Outcome report sent 6-5-14
YMCA of Greater OKC	Purchase & install addtl. playground equipment MWC	\$22,245.00	\$22,200.00	\$45.00	\$0.00	Outcome Report and expenditures submitted, \$45.00 owed back to the Trust, Email request for the \$45.00 sent on 6-5-14, Letter to be sent 11-26-14; money returned 11-5-15
	Total Award Amount	\$300,000.00				
	Sub-Totals		\$294,942.58	\$5,057.42	\$0.00	
	Current year funding approved by Council	\$300,000.00				
	Total FY 12-13 Grant Expenditures				\$294,942.58	
	Monies Returned to Hospital Authority Account				\$5,057.42	
	Total FY 12-13 Grant Monies Remaining				\$0.00	
Updated 11/03/15 JD	Totaling				\$300,000.00	

MWC Hospital Authority GRANT RECIPIENTS 2011-12

GRANT RECIPIENT	PURCHASE ITEM	AWARD AMOUNT	EXPENDITURES	MONEY RETURNED	BALANCE	REMARKS
City of Midwest City	Green Machine	\$20,000.00	\$18,468.38	\$1,531.62	\$0.00	money returned to Finance / Extension through 8/1/13
City of Midwest City/Golf Course	Replace fence	\$50,000.00	\$50,000.00		\$0.00	Recipient pd overage \$32,990.75
City of Midwest City/Police Dept.	Segway	\$8,025.00	\$7,533.96	\$491.04	\$0.00	Recipient returned \$491.04 to Finance 11/6/12
City of Midwest City/Police Dept.	Off-road UTV & Trailer	\$12,300.00	\$12,299.63	\$0.37	\$0.00	Recipient returned .37 to Finance 11/6/12
Healing Hearts Health Clinic	Medical & Office Equipment	\$2,000.00	\$2,000.00		\$0.00	Recipient pd overage \$58.82
Kiwanis's Club of MWC	2011 Concrete Kiwanis's Park Trails	\$70,000.00	\$70,000.00		\$0.00	Recipient pd overage \$2,248.64
Literacy Link	Adult Literacy Software	\$2,941.35	\$2,899.30	\$42.05	\$0.00	Recipient returned \$42.05 to Finance 11/8/12
Metropolitan Library System	Library Garden Restoration	\$25,000.00	\$19,970.92	\$5,029.08	\$0.00	Recipient returned \$5,029.08 to Finance 2/14/13
Midwest City Rotary Club	Veteran's Memorial project	\$100,000.00	\$100,000.00		\$0.00	Extension through 7/21/13
Rose State College	RSC Pilot Program (6-12 grades)	\$60,500.00	\$60,500.00		\$0.00	Extension through 9/14/13
YMCA Greater OKC	MWC YMCA Community playground	\$29,577.65	\$29,577.65		\$0.00	Recipient pd overage \$422.35
	Total Award Amount	\$380,344.00				
	Sub-Totals		\$373,249.84	\$7,094.16	\$0.00	
	Current year funding approved by Council	\$380,344.00				
	Total FY 11-12 Grant Expenditures				\$373,249.84	
	Monies Returned to Hospital Authority Account				\$7,094.16	
	Total FY 11-12 Grant Monies Remaining				\$0.00	
Updated 11/03/15 JD	Totaling				\$380,344.00	

MWC Hospital Authority GRANT RECIPIENTS 2010-11

GRANT RECIPIENT	PURCHASE ITEM	AWARD AMOUNT	EXPENDITURES	MONEY RETURNED	BALANCE	REMARKS
City of Midwest City - Police Department	Replace Irreparable Speed Sign Trailer	\$16,800.00	\$16,800.00		\$0.00	
Mid-Del Food Pantry	Freezer & Shelving Upgrade Project	\$21,700.00	\$21,700.00		\$0.00	Recipient paid overage \$1,318.44
Mid-Del Group Homes, Inc.	AED's Group Homes & Workshop	\$2,800.00	\$2,800.00		\$0.00	Recipient paid overage \$662.54
Mid-Del Group Homes, Inc.	Mini-bus w/wheelchair accessibility	\$40,000.00	\$40,000.00		\$0.00	Recipient paid overage \$791.50
Mid-Del Schools	Random Student Drug Testing (lab expenses only)	\$25,357.00	\$25,357.00		\$0.00	
Mid-Del Schools - Carl Albert Middle School	Playaways encourage reading (Library equipment)	\$10,000.00	\$10,000.00		\$0.00	Recipient paid overage \$7.83
Midwest City Tree Board	Free container grown trees Arbor Day	\$3,000.00	\$3,000.00		\$0.00	
Oklahoma Honor Flights	Fund 3 flights @ 1/3 increments (as trips occur)	\$50,000.00	\$50,000.00		\$0.00	Recipient paid overage \$192,702.23
	Total Award Amount	\$169,657.00				
	Sub-Totals		\$169,657.00	\$0.00	\$0.00	
	Carryover to FY 2011-12	\$80,343				
	Current year funding approved by Council	\$250,000.00				
	Total FY 10-11 Grant Expenditures				\$169,657.00	
	Monies Returned to Hospital Authority Account				\$0.00	
	Total FY 10-11 Grant Monies Remaining				\$0.00	
Updated 11/03/15 JD	Totaling				\$169,657.00	

MWC Hospital Authority GRANT RECIPIENTS 2009-10

GRANT RECIPIENT	PURCHASE ITEM	AWARD AMOUNT	EXPENDITURES	MONEY RETURNED	BALANCE	REMARKS
City of Midwest City - Community Development Dept.	North Oaks Redevelopment Plan	\$160,000.00	\$160,000.00		\$0.00	Recipient pd overage \$61,558.62
City of Midwest City - Community Development Dept.	Soldier Creek Pedestrian Bridge	\$47,943.46	\$47,943.46		\$0.00	Recipient pd overage \$2,000
City of Midwest City - Fire Department	Low Speed Rescue/Apparatus	\$24,045.00	\$24,045.00		\$0.00	Recipient pd overage \$415.35
City of Midwest City - Grants Management Dept.	Original Mile Enhancement Study	\$40,000.00	\$40,000.00		\$0.00	Recipient pd overage \$21,341.65
City of Midwest City - Police Dept.	Automatic License Plate Recognition	\$20,880.00	\$20,109.00	\$771.00	\$0.00	Recipient returned \$880.00 to Finance
Mid-Del Schools/Cleveland Bailey Elementary	Walking Track	\$18,105.89	\$18,105.89		\$0.00	
Mid-Del Schools/Country Estates Elementary, PTA	Community Fitness Track	\$19,394.65	\$19,394.65		\$0.00	Recipient pd overage \$56.30
Douglas Blvd. United Methodist Church	Feed His People	\$33,800.00	\$33,800.00		\$0.00	Recipient pd overage \$4,578.43
Mid-Del Farmers' Market Association	Equipment & Promotional Materials	\$10,000.00	\$10,000.00		\$0.00	Recipient pd overage \$14.83
Mid-Del Youth & Family Center, Inc.	Seed S Charles J. Johnson Youth Dev Ctr	\$41,157.00	\$41,157.00		\$0.00	Extension through 3/10/13, a 6 month extension approved on 11-24-14
	Total Award Amount	\$415,326.00				
	Sub-Totals		\$414,555.00	\$771.00	\$0.00	
	Carryover from 2008-19	\$90,261.57				
	Current year funding approved by Council	\$330,000.00				
	Total FY 09-10 Grant Expenditures				\$414,555.00	
	Monies Returned to Hospital Authority Account				\$771.00	
	Total FY 09-10 Grant Monies Remaining				\$0.00	
Updated 11/03/15 JD	Totaling				\$415,326.00	

MWC Hospital Authority GRANT RECIPIENTS 2008-09

GRANT RECIPIENT	PURCHASE ITEM	AWARD AMOUNT	EXPENDITURES	MONEY RETURNED	BALANCE	REMARKS
Choctaw-Nicoma Park Public Schools	Drug Awareness/Drug Testing	\$25,000.00	\$25,000.00		\$0.00	
City of Midwest City/Community Development Department	Public Art	\$20,000.00	\$17,374.66	\$2,625.34	\$0.00	Recipient returned \$2,625.34 to Acctg 1/18/11
City of Midwest City/Street Department	City Wide Reforestation	\$150,000.00	\$150,000.00		\$0.00	Recipient paid overage \$2,684.44
Defenders of Dreams	Seek professional assistance to develop Master Plan	\$10,000.00		\$10,000.00	\$0.00	
Mid-Del Group Homes, Inc.	Computers	\$4,000.00	\$4,000.00		\$0.00	Recipient paid overage \$1,001.92
Mid-Del Public Schools Foundation	S.M.I.L.E.	\$35,000.00	\$35,000.00		\$0.00	Recipient paid overage \$1,666.56
Mid-Del Schools/Ridgecrest Elementary	Walking Track	\$28,196.96	\$28,196.96		\$0.00	
Mid-Del Schools/Traub Elementary	Walking Track	\$16,107.47	\$16,107.47		\$0.00	
Mid-Del Youth & Family Center, Inc.	Capital Building Project	\$50,000.00	\$50,000.00		\$0.00	Recipient paid overage \$16.26
Midwest City Chamber of Commerce	Exhibition Display & Equipment Project	\$16,869.00	\$16,869.00		\$0.00	Recipient paid overage \$1,899.90
Rose State College	Continuing Education & Community Services	\$43,565.00	\$37,135.05	\$6,429.95	\$0.00	Recipient returned \$6,429.95 to Acctg 3/8/10
Sustainable East Oklahoma County (OSN)	Mid-Del Farmer's Market Start-up	\$11,000.00	\$11,000.00		\$0.00	Recipient paid overage \$248.90
	Total Award Amount	\$409,738.43				
	Sub-Totals		\$390,683.14	\$19,055.29	\$0.00	
	Carryover to FY 2009-10	\$90,261.57				
	Current year funding approved by Council	\$500,000.00				
	Total FY 08-09 Grant Expenditures				\$390,683.14	
	Monies Returned to Hospital Authority Account				\$19,055.29	
	Total FY 08-09 Grant Monies Remaining				\$0.00	
Updated 11-03-15 JD	Totaling				\$409,738.43	

THERE WERE NO GRANT MONIES AWARDED FOR THIS GRANT YEAR 2007-08

MWC Hospital Authority GRANT RECIPIENTS 2006-07

GRANT RECIPIENT	PURCHASE ITEM	AWARD AMOUNT	EXPENDITURES	MONEY RETURNED	BALANCE	REMARKS
City of Midwest City	Nursing student housing stipend	\$36,000.00	\$26,062.78	\$9,937.22	\$0.00	Recipient returned \$9,937.22 to Finance 1/12
City of Midwest City	Oklahoma Centennial Street Clock	\$40,000.00	\$40,000.00		\$0.00	Recipient paid overage \$10,321.36
Eastern Oklahoma County Tourism Council	Star Spangled Salute	\$85,884.26	\$85,884.26		\$0.00	Recipient paid overage \$5,685.94
Literacy Link	Health Literacy Initiative	\$1,510.00	\$1,507.02	\$2.98	\$0.00	Recipient returned \$2.98 to Finance 6/09
Mid-Del Youth & Family Center, Inc.	Phase I - Emergency Children's Shelter	\$50,000.00	\$50,000.00		\$0.00	Recipient paid overage \$2,125.77
Midwest City Chamber of Commerce	2007 Youth Excel Leadership Program	\$5,000.00	\$4,422.05	\$577.95	\$0.00	Recipient returned \$577.95 to Finance 11/08
Midwest City Martin Luther King Jr. Prayer Breakfast Comm, Inc.	Prayer Breakfast	\$6,000.00	6,000.00		\$0.00	Recipient paid overage \$3,438.00
Project Concern	Project Concern	\$20,605.74	\$20,605.74		\$0.00	Recipient paid overage \$124.06
Studio Mid-Del, Inc.	Construction to complete Community Arts Center	\$250,000.00	\$250,000.00		\$0.00	Recipient paid overage \$1,776.72
Tinker POW/MIA Committee	Construction Community POW/MIA Memorial	\$5,000.00	\$5,000.00		\$0.00	
	Total Award Amount	\$500,000.00				
	Sub-Totals		\$489,481.85	\$10,518.15	\$0.00	
	Total FY 06-07 Grant Expenditures				\$489,481.85	
	Monies Returned to Hospital Authority Account				\$10,518.15	
	Total FY 06-07 Grant Monies Remaining				\$0.00	
Revised 1/24/12	Totaling				\$500,000.00	

MWC Hospital Authority GRANT RECIPIENTS 2005-06

GRANT RECIPIENT	PURCHASE ITEM	AWARD AMOUNT	EXPENDITURES	MONEY RETURNED	BALANCE	REMARKS
City of Midwest City/Animal Welfare	Veterinarian Assistance Program	\$12,000.00	\$11,970.00	\$30.00	\$0.00	Recipient returned \$30.00 to Acctg.
City of Midwest City/Animal Welfare	Illuminated Signs	\$5,000.00	\$4,828.00	\$172.00	\$0.00	Recipient returned \$172.00 to Acctg.
City of Midwest City/Animal Welfare	Roof for Facility	\$46,500.00	\$35,480.63	\$11,019.37	\$0.00	Recipient returned \$11,019.37 to Acctg.
City of Midwest City/Com.Devel. Dept.	Consulting Services Development of Rail & Trail Master Plan	\$25,000.00	\$25,000.00		\$0.00	
City of Midwest City/Com.Devel. Dept.	Review & Update City's Subdivision Regulations	\$15,000.00	\$15,000.00		\$0.00	Recipient paid overage \$10,560.36
City of Midwest City/Convention & Visitors Bureau	Sponsorship Assistance	\$10,000.00	\$10,000.00		\$0.00	Recipient paid overage \$1,500.85
City of Midwest City/Emergency Management	CERT Training & Response Supplies	\$5,000.00	5,000.00		\$0.00	
City of Midwest City/Fire Department	Fire Hydrant Locator Reflectors	\$6,500.00	\$6,380.00	\$120.00	\$0.00	Recipient returned \$120.00 to Acctg.
City of Midwest City/Golf (John Conrad)	Complete Concrete Curbs	\$27,500.00	\$27,500.00		\$0.00	
City of Midwest City/Grants Management Dept.	MWC Juvenile Modification Camp	\$15,000.00	\$15,000.00		\$0.00	
City of Midwest City/Parks & Rec Department	Electronic Message Sign - City Hall Complex	\$20,000.00	\$20,000.00		\$0.00	Recipient paid overage \$9,150.00
City of Midwest City/Police Department	Taser Conduct Energy Weapons, Simulator Suite & Taser Cartridges	\$19,095.50	\$19,084.28	\$11.22	\$0.00	Recipient returned \$11.22 to Acctg.
City of Midwest City/Police Department	Digital Video Recorder & Cameras (Detective Division)	\$6,821.49	\$6,821.49		\$0.00	Recipient paid overage \$1,287.14
City of Midwest City/Police Department	Forensic Lab, CSI Vehicle	\$28,462.00	\$28,462.00		\$0.00	Recipient paid overage \$1,673.00
City of Midwest City/Street Department	Landscape & Irrigate Air Depot Blvd. from SE 15th to SE 29th	\$25,000.00	\$24,997.15	\$2.85	\$0.00	Recipient returned \$2.85 back to Acctg.
Eastern Oklahoma County Tourism Council	Star Spangled Salute Celebration	\$35,000.00	\$35,000.00		\$0.00	
Heartline, Inc.	Central Oklahoma 2-1-1 Project Start-up Costs	\$25,000.00	\$25,000.00		\$0.00	Recipient paid overage \$227.29
Holiday Lights Spectacular, Inc.	Upgrade Electric Infrastructure & Refurbish Displays	\$25,000.00	\$25,000.00		\$0.00	Recipient paid overage \$244.67
Literacy Link	Educational Materials for Adult non-readers	\$3,000.00	\$3,000.00		\$0.00	Recipient paid overage \$15.60
Mid-Del Group Homes, Inc.	Delivery Truck	\$20,000.00	\$20,000.00		\$0.00	Recipient paid overage \$3,400.00
Mid-Del Public Schools Foundation	S.H.A.R.P. (Sequoyah books Help Accelerate Reading Progress)	\$1,840.00	\$1,501.68	\$338.32	\$0.00	Recipient returned \$338.32 to Acctg.
Mid-Del Youth & Family Center, Inc.	Play Therapy Room	\$4,425.75	\$4,425.75		\$0.00	Recipient paid overage \$458.72
Midwest City Chamber of Commerce	Youth Excel	\$5,000.00	\$4,958.62	\$41.38	\$0.00	Recipient returned \$41.38 to Acctg.
Midwest City MLK Jr. Prayer Breakfast Comm.	Annual Prayer Breakfast	\$6,000.00	\$6,000.00		\$0.00	Recipient paid overage \$2,664.86
Midwest City Rotary Club #5750	Rotary Pavilion (Regional Park) Water Fountain	\$11,000.00	\$10,942.71	\$57.29	\$0.00	Recipient returned \$57.29 to Acctg.
Midwest City Tree Board	Landscape & Irrigate Phase 2 Reno Ave.	\$46,400.00	\$46,372.31	\$27.69	\$0.00	Recipient returned \$27.69 to Acctg.
	Total Award Amount	\$449,544.74				
	Sub-Totals		\$437,724.62	\$11,820.12	\$0.00	
	Total FY 05-06 Grant Expenditures				\$437,724.62	
	Monies Returned to Hospital Authority Account				\$11,820.12	
	Total FY 05-06 Grant Monies Remaining				\$0.00	
	Totaling				\$449,544.74	

MWC Hospital Authority GRANT RECIPIENTS 2004-05

GRANT RECIPIENT	PURCHASE ITEM	AWARD AMOUNT	EXPENDITURES	MONEY RETURNED	BALANCE	REMARKS
City of Midwest City	Electronic Digital Sign	\$29,800.00	\$29,800.00		\$0.00	Recipient paid overage \$759.40
City of Midwest City/Convention & Visitors Bureau	Tourism Sponsorship Assistance	\$10,000.00	\$7,640.87	\$2,359.13	\$0.00	Recipient returned \$2,359.13
City of Midwest City/Devel. Services Dept.	Architectural & Engineering Services/Phase I MWC Community Outreach Center	\$40,000.00	\$40,000.00		\$0.00	Recipient paid overage \$37,641.40
City of Midwest City/Devel. Services Dept.	North Oaks Revitalization Plan	\$20,000.00	\$20,000.00		\$0.00	
City of Midwest City/Devel. Services Dept.	Consulting Services/Zoning Ordinance & Subdivision Regulation Overhaul	\$25,000.00	\$25,000.00		\$0.00	
City of Midwest City/Golf Course	Completion Concrete Cart Trails	\$33,000.00	\$32,456.19	\$543.81	\$0.00	Recipient returned \$543.81 to Acctg.
City of Midwest City/Park Department	Reno Swim & Slide Irrigation and Landscape	\$49,388.00	\$49,388.00		\$0.00	
City of Midwest City/Police Department	Fitness Equipment/Police Workout Room	\$20,497.24	\$20,490.00	\$7.24	\$0.00	Recipient returned \$7.24 to Acctg.
Eastern Oklahoma County Tourism Council	Star Spangled Salute	\$35,000.00	\$35,000.00		\$0.00	Recipient paid overage \$11.94
Holiday Lights Spectacular, Inc.	Additional Light Displays & Upgrade Infrastructure	\$25,000.00	\$25,000.00		\$0.00	Recipient paid overage \$2,737.01
Junior Achievement of Greater Oklahoma City, Inc.	Investing in MWC Youth/JA Program Monroney JHS	\$1,000.00	\$1,000.00		\$0.00	Recipient paid overage \$340.00
Literacy Link, Inc.	Networking Hardware, Educational Software/Literacy Computer Lab	\$4,900.00	\$4,900.00		\$0.00	Recipient paid overage \$707.71
Mid-Del Food Pantry, Inc.	New Carpeting/Mid-Del Food Pantry	\$4,855.00	\$4,855.00		\$0.00	
Mid-Del Group Homes, Inc.	8-Passenger Van/Disabled Transportation	\$20,000.00	\$19,046.65	\$953.35	\$0.00	Recipient returned \$953.35 to Acctg.
Mid-Del Group Homes, Inc.	Replace Appliances Group Home	\$4,000.00	\$3,915.34	\$84.66	\$0.00	Recipient returned \$84.66 to Acctg.
Mid-Del Public Schools Foundation	Children Reading Across Mid-Del (CRAM)	\$3,910.00	\$3,525.64	\$384.36	\$0.00	Recipient returned \$384.36 to Acctg.
Mid-Del Schools	Stranger Danger	\$2,500.00	\$2,500.00		\$0.00	
Mid-Del Youth and Family Center, Inc.	Van Purchase	\$12,000.00	\$12,000.00		\$0.00	Recipient paid overage \$5,544.50
Midwest City Chamber of Commerce	Youth Excel	\$4,500.00	\$4,500.00		\$0.00	Recipient paid overage \$54.84
Midwest City Chamber of Commerce	Reduce Loan on Building	\$25,000.00	\$25,000.00		\$0.00	
Midwest City Martin Luther King Jr. Prayer Breakfast Committee	Annual Prayer Breakfast	\$5,000.00	\$5,000.00		\$0.00	Recipient paid overage \$1,101.64
Midwest City Optimist Club	Continued Development/Optimist Park	\$7,500.00	\$7,500.00		\$0.00	Recipient paid overage \$835.34
Midwest City Rotary Club #5750	Volleyball Court/MWC Regional Park/Renovation Project	\$15,000.00	\$14,045.79	\$954.21	\$0.00	Recipient returned \$954.21 to Acctg.
Midwest City Tree Board	Reno Avenue Irrigation and Landscape	\$46,400.00	\$46,400.00		\$0.00	Recipient paid overage \$2,155.11
Project Woman Coalition, Inc.	Operation Outreach Midwest City/Breast Screening	\$8,724.76	\$8,724.76		\$0.00	Recipient paid overage \$504.85
Rose State College	Math & Science Workshops K-12	\$25,125.00	\$14,326.96	\$10,798.04	\$0.00	Recipient returned \$10,798.04
Tinker Inter-Tribal Council	Third Annual MWC Pow Wow	\$8,750.00	\$8,750.00		\$0.00	Recipient paid overage \$18.79
Tinker POW/MIA Committee	Construction Community POW/MIA Memorial	\$13,150.00	\$13,146.72	3.28	\$0.00	Recipient returned \$3.28 to Acctg.
	Total Award Amount	\$500,000.00				
	Sub-Totals		\$483,911.92	\$16,088.08	\$0.00	
	Total FY 04-05 Grant Expenditures				\$483,911.92	
	Monies Returned to Hospital Authority Account				\$16,088.08	
	Total FY 04-05 Grant Monies Remaining				\$0.00	
	Totaling				\$500,000.00	

MWC Hospital Authority GRANT RECIPIENTS 2003-04

GRANT RECIPIENT	PURCHASE ITEM	AWARD AMOUNT	EXPENDITURES	MONEY RETURNED	BALANCE	REMARKS
City of Midwest City/Animal Welfare Department	Pet Adoption Trailer	\$21,455.00	\$21,455.00		\$0.00	Recipient paid overage \$805.28
City of Midwest City/Municipal Court	Remodel Payment Counter/Lobby Revitalization	\$12,000.00	\$12,000.00		\$0.00	Recipient paid overage \$581.41
City of Midwest City/Neighborhood Services	Neighborhood Gatherings & Cleanup	\$20,000.00	\$19,994.46	\$5.54	\$0.00	Recipient returned \$5.54 to Acctg. 2/10/05
City of Midwest City/Neighborhood Services	Operation Paint Brush	\$10,000.00	\$9,480.34	\$519.66	\$0.00	Recipient returned \$519.66 to Acctg. 1/9/06
City of Midwest City/Police Department	Digital Cameras for CAO's	\$1,197.00	\$1,196.00	\$1.00	\$0.00	Recipient returned \$1.00 to Acctg. 1/18/05
City of Midwest City/Police Department	Jail Entry Equipment	\$2,400.00	\$2,288.46	\$111.54	\$0.00	Recipient returned \$111.54 to Acctg. 1/18/05
Contact Crisis Helpline, Inc.	24-hour Referral Hotline & Staff Program	\$10,000.00	\$10,000.00		\$0.00	
Eastern Oklahoma County Tourism Council	Star Spangled Salute	\$30,000.00	7,223.47	\$22,776.53	\$0.00	Recipient returned \$22,776.53 to Acctg. 2/15/05
Holiday Lights Spectacular	Holiday Lights Display	\$25,000.00	\$25,000.00		\$0.00	Recipient paid overage 663.92
Leukemia & Lymphoma Society	Patient Services Eastern Oklahoma County	\$5,000.00	\$5,000.00		\$0.00	Recipient paid overage 109.35
Literacy Link	Educational Materials	\$2,464.00	\$2,464.00		\$0.00	Recipient paid overage \$48.46
Mid-Del Technology Center	Electric Vehicle Demonstration	\$854.85	\$854.85		\$0.00	Recipient paid overage \$3,240.15
Mid-Del Youth & Family Center, Inc.	Garden Shed, Mower & Equipment	\$6,200.00	\$6,200.00		\$0.00	Recipient paid overage \$335.97
Midwest City Chamber of Commerce	Youth Excel Leadership Program	\$4,000.00	\$4,000.00		\$0.00	Recipient paid overage \$125.32
Midwest City Chamber of Commerce	Complete & Construct New Facility	\$50,000.00	\$50,000.00		\$0.00	Recipient paid overage \$13,356.49
Midwest City Dr. M.L. King Jr. Prayer Breakfast Committee	Annual Prayer Breakfast	\$5,000.00	\$5,000.00		\$0.00	Recipient paid overage \$3,336.68
Midwest City Dr. M.L. King Jr. Prayer Breakfast Committee	Diversity Workshops	\$3,950.00	\$3,894.00	\$56.00	\$0.00	Recipient returned \$56.00 to Acctg. 3/9/05
Midwest City High School/DECA	MWC High Flower Power Project	\$2,339.15	\$2,282.59	\$56.56	\$0.00	Recipient returned \$56.56 to Acctg. 3/7/05
Midwest City Kiwanis Club	Repair & Replace Pavilion Roof	\$26,000.00	\$25,485.00	\$515.00	\$0.00	Recipient returned \$515.00 to Acctg. 2/3/05
Midwest City Optimist Club	Add Development Optimist Park	\$10,000.00	\$10,000.00		\$0.00	Recipient paid overage \$331.33
Midwest City Public Art Board	ARTOklahoma 2004	\$2,140.00	\$1,687.35	\$452.65	\$0.00	Recipient returned \$452.65 to Acctg. 8/1/05
	Total Award Amount	\$250,000.00				
	Sub-Totals		\$225,505.52	\$24,494.48	\$0.00	
	Total FY 03-04 Grant Expenditures				\$225,505.52	
	Monies Returned to Hospital Authority Account				\$24,494.48	
	Total FY 03-04 Grant Monies Remaining				\$0.00	
	Totaling				\$250,000.00	

MWC Hospital Authority GRANT RECIPIENTS 2002-03

GRANT RECIPIENT	PURCHASE ITEM	AWARD AMOUNT	EXPENDITURES	MONEY RETURNED	BALANCE	REMARKS
Choctaw Park Foundation	Veterans Memorial @ Choctaw	\$5,000.00	\$5,000.00		\$0.00	Recipient paid overage \$3,850.25
City of Midwest City/Development Services Dept.	Comprehensive Plan	\$50,000.00	\$50,000.00		\$0.00	
City of Midwest City/Fire Department	Risk Watch Program	\$10,860.39	\$10,860.39		\$0.00	Recipient paid overage \$140.02
City of Midwest City/Fire Department	Thermal Imaging Camera	\$25,800.00	\$25,800.00		\$0.00	
City of Midwest City/Fire Department	Rapid Intervention System	\$4,500.00	\$4,500.00		\$0.00	
City of Midwest City/Grants Management Division	Weed & Seed Program	\$25,000.00	\$25,000.00		\$0.00	Recipient paid overage \$13,064.00
City of Midwest City/Grants Management Division	Business Incentive Program	\$107,328.76	107,328.76		\$0.00	Recipient paid overage \$198,677.24
City of Midwest City/Neighborhood Services Dept.	Operation Paintbrush	\$10,000.00	\$10,000.00		\$0.00	
City of Midwest City/Neighborhood Services Dept.	Neighborhood Gatherings & Cleanups	\$20,000.00	\$20,000.00		\$0.00	
City of Midwest City/Street Department	Crutcho Creek Nature Trail Bridge	\$25,000.00	\$17,177.77	\$7,822.23	\$0.00	Recipient returned \$7,822.23 to Accounting
Crutcho Public Schools	MWC Waterline Project	\$20,460.85	\$20,460.85		\$0.00	
Del City Chamber of Commerce	Del Quest Program	\$3,400.00	\$3,400.00		\$0.00	Recipient paid overage \$83.26
Holiday Lights Spectacular, Inc.	Displays, Tree Wraps, etc.	\$25,000.00	\$25,000.00		\$0.00	Recipient paid overage \$520.94
Literacy Link	Books, Office Equipment	\$3,040.00	\$3,040.00		\$0.00	Recipient paid overage \$160.06
Mid-Del Schools	Great Expectations Program	\$25,000.00	\$24,424.47	\$575.53	\$0.00	Recipient returned \$575.53 to Accounting
Mid-Del Schools	Stranger Danger Program	\$5,310.00	\$5,310.00		\$0.00	
Mid-Del Youth & Family Center, Inc.	Four (4) Computers	\$2,800.00	\$2,790.40	\$9.60	\$0.00	Recipient returned \$9.60 to Accounting
Midwest City Chamber of Commerce	Youth Excel Program	\$2,000.00	\$2,000.00		\$0.00	Recipient paid overage \$96.16
Midwest City Community Playground Project	Replace Aging Playground Equipment/Regional Park	\$75,000.00	\$75,000.00		\$0.00	Recipient paid overage \$89,524.82
Midwest City Martin Luther King Jr. Prayer Breakfast Committee	Prayer Breakfast	\$5,000.00	\$5,000.00		\$0.00	Recipient paid overage \$2,297.34
Midwest City Martin Luther King Jr. Prayer Breakfast Committee	Workshops	\$3,500.00	\$951.90	\$2,548.10	\$0.00	Recipient returned \$2,548.10 to Accounting
Midwest City Public Art Board	ART Oklahoma 2003	\$3,000.00	\$2,940.22	\$59.78	\$0.00	Recipient returned \$59.78 to Accounting
Midwest City Public Library	Large Print Materials & Shelving	\$3,000.00	\$3,000.00		\$0.00	Recipient paid overage \$3.39
Midwest City Rotary Club	Renovate Rotary Pavilion/Regional Park	\$35,000.00	\$30,211.42	\$4,788.58	\$0.00	Recipient returned \$4,788.58 to Accounting
Tinker Inter-Tribal Council	Establish Annual MWC Pow Wow	\$5,000.00	\$5,000.00		\$0.00	Recipient paid overage \$951.32
	Total Award Amount	\$500,000.00				
	Sub-Totals		\$484,196.18	\$15,803.82	\$0.00	
	Total FY 02-03 Grant Expenditures				\$484,196.18	
	Monies Returned to Hospital Authority Account				\$15,803.82	
	Total FY 02-03 Grant Monies Remaining				\$0.00	
	Totaling				\$500,000.00	

MWC Hospital Authority GRANT RECIPIENTS 2001-02

GRANT RECIPIENT	PURCHASE ITEM	AWARD AMOUNT	EXPENDITURES	MONEY RETURNED	BALANCE	REMARKS
City of Midwest City/EOC	Lightning Protection for 8 Sirens	\$11,385.00	\$9,604.00	\$1,781.00	\$0.00	Recipient returned \$1,781.00 to Accounting 11/02
City of Midwest City/Fire Department	Hazardous Material Training	\$32,191.03	\$32,191.03		\$0.00	Recipient paid overage \$1,594.97
City of Midwest City/John Conrad Golf Course	Modernization of Golf Course	\$10,000.00	\$7,877.13	\$2,122.87	\$0.00	Recipient returned \$2,122.87 to Accounting 7/03
City of Midwest City/MIS	Network/Overhead Projector	\$17,400.00	\$17,400.00		\$0.00	Recipient paid overage \$39.25
City of Midwest City/Neighborhood Services Dept.	Operation Paintbrush	\$7,500.00	\$7,326.74	\$173.26	\$0.00	Recipient returned \$173.26 to Accounting 2/03
City of Midwest City/Neighborhood Services Dept.	Neighborhood Gatherings & Cleanups	\$20,000.00	\$19,917.72	\$82.28	\$0.00	Recipient returned \$82.28 to Accounting 2/03
City of Midwest City/PWA	Fitness Program	\$21,000.00	\$18,361.27	\$2,638.73	\$0.00	Recipient returned \$2,638.73 to Accounting 7/03
Crutch Public Schools	MWC Water Line Installation	\$12,119.15	\$12,119.15		\$0.00	Recipient paid overage \$20,460.85
Holiday Lights Spectacular, Inc.	Upgrade Electrical System	\$40,000.00	\$40,000.00		\$0.00	Recipient paid overage \$367.00
Holy Family Name/Catholic Charities	Stove Hood & Fence	\$13,527.00	\$13,527.00		\$0.00	Recipient paid overage \$201.00
Literacy Link	Books, Office Equipment	\$2,303.80	\$2,303.80		\$0.00	Recipient paid overage \$36.04
Martin Luther King Jr. Prayer Breakfast Committee	Prayer Breakfast	\$5,000.00	\$5,000.00		\$0.00	Recipient paid overage \$227.07
Mid-Del Group Homes, Inc.	Pallet Jacket	\$500.00	\$381.63	\$118.37	\$0.00	Recipient returned \$118.37 to Accounting 11/02
Mid-Del Group Homes, Inc.	Building Addition	\$50,000.00	\$50,000.00		\$0.00	Recipient paid overage \$25,412.56
Mid-Del Schools	Senior Link Program	\$9,877.00	\$9,224.18	\$652.82	\$0.00	Recipient returned \$652.82 to Accounting 4/04
Mid-Del Schools	Great Expectations Program	\$25,000.00	\$24,944.10	\$55.90	\$0.00	Recipient returned \$55.90 to Accounting 12/03
Mid-Del Youth & Family Center, Inc.	Nit Medical Supplies	\$405.00	\$405.00		\$0.00	Recipient paid overage \$22.29
Mid-Del Youth & Family Center, Inc.	Loss Prevention WIA Youth Dev. Program	\$737.00	\$737.00		\$0.00	Recipient paid overage \$46.37
Mid-Del Youth & Family Center, Inc.	Replace Roof Children's Shelter	\$9,306.46	\$9,306.46		\$0.00	Recipient paid overage \$439.27
Midwest Choral Society, Inc.	2002 Concert Performances	\$1,000.00	\$1,000.00		\$0.00	Recipient paid overage \$4,294.19
Midwest City Chamber of Commerce	Youth Excel	\$2,000.00	\$2,000.00		\$0.00	Recipient paid overage \$447.69
Midwest City Chamber of Commerce	Construct New Facility	\$50,000.00	\$50,000.00		\$0.00	Recipient paid overage \$50,433.50
Midwest City Kiwanis Club	Landscaping Improvements Kiwanis Park	\$9,459.56	\$9,459.56		\$0.00	Recipient paid overage \$224.57
Midwest City Public Art Board	Tents, etc., ARTOklahoma Event	\$9,875.00	\$9,875.00		\$0.00	Recipient paid overage \$231.16
Midwest City Public Library	Signage for Entrancesways	\$10,015.00	\$8,863.30	\$1,151.70	\$0.00	Recipient returned \$1,151.70 to Accounting 7/03
Midwest City Rotary Club #5750	U.S. Flag Project	\$15,000.00	\$14,664.79	\$335.21	\$0.00	Recipient returned \$335.21 to Accounting 7/03
Mission Mid-Del, Inc.	15-Passenger Van	\$24,000.00	\$24,000.00		\$0.00	Recipient paid overage \$743.00
Retired Senior Volunteer Program Central Oklahoma, Inc.	Blues Program	\$9,600.00	\$9,600.00		\$0.00	Recipient paid overage \$306.33
Studio Mid-Del, Inc.	Construct Facility	\$50,000.00	\$50,000.00		\$0.00	Recipient paid overage \$1,003.00
YWCA of Oklahoma City	SANE Program	\$30,799.00	\$30,799.00		\$0.00	Recipient paid overage \$1,704.08
	Total Award Amount	\$500,000.00				
	Sub-Totals		\$490,887.86	\$9,112.14	\$0.00	
	Total FY 01-02 Grant Expenditures				\$490,887.86	
	Monies Returned to Hospital Authority Account				\$9,112.14	
	Total FY 01-02 Grant Monies Remaining				\$0.00	
	Totaling				\$500,000.00	

MWC Hospital Authority GRANT RECIPIENTS 2000-01

GRANT RECIPIENT	PURCHASE ITEM	AWARD AMOUNT	EXPENDITURES	MONEY RETURNED	BALANCE	REMARKS
Catholic Charities/Holy Family Name	Van	\$10,000.00	\$10,000.00		\$0.00	Recipient paid overage \$10,300.00
Central Oklahoma Habitat for Humanity	Construct 10 homes	\$70,000.00	\$70,000.00		\$0.00	Recipient paid overage \$41,616.23
City of Midwest City/Fire Department	Pulse Oximetry, etc.	\$6,472.50	\$6,465.25	\$7.25	\$0.00	
City of Midwest City/Fire Department	Fire Safety Libraries (10)	\$3,000.00	\$2,999.56	\$0.44	\$0.00	Recipient returned monies to Accounting office 5/01
City of Midwest City/John Conrad Golf Course	Clubhouse Upgrade	\$85,000.00	\$85,000.00		\$0.00	Recipient paid overage \$5,675.00
City of Midwest City/Municipal Golf Course	Gazebos	\$12,900.00	\$12,900.00		\$0.00	
City of Midwest City/Neighborhood Services	Operation Paintbrush	\$7,500.00	7,283.55	\$216.45	\$0.00	Recipient returned monies to Accounting office 2/02
City of Midwest City/Police Department	Audio/Recorders/Equipment for Jail	\$4,092.50	\$4,092.50		\$0.00	
City of Midwest City/Police Department	Camera/Microphone/Equipment for Jail	\$5,218.60	\$5,177.05	\$41.55	\$0.00	Recipient returned monies to Accounting office 8/01
City of Midwest City/Police Department	Mats/Physical Skills Employee Training	\$2,400.00	\$2,148.33	\$251.67	\$0.00	Recipient returned monies to Accounting office 6/01
City of Midwest City/Police Department	Sexual Assault Nurse Examiner (SANE)	\$18,345.00	\$0.00	\$18,345.00	\$0.00	Recipient returned monies to Accounting office 9/01
City of Midwest City/Police Department	Voice Messaging Notification System	\$27,400.00	\$26,816.98	\$583.02	\$0.00	Recipient returned monies to Accounting office 1/02
City of Midwest City/Soldier Creek Nature Trail	South Trail Upgrade w/Hard Surface	\$23,400.00	\$23,400.00		\$0.00	Recipient paid overage \$4,746.99
City of Midwest City/Soldier Creek Nature Trail	Bird Watcher's Lane	\$9,466.76	\$7,613.95	\$1,852.81	\$0.00	Recipient returned monies to Accounting office 8/02
City of Midwest City/Street Department	Tree Spade	\$18,100.00	\$18,100.00		\$0.00	Recipient paid overage \$36.16
Holiday Lights Spectacular, Inc.	Upgrade Electric System	\$25,000.00	\$25,000.00		\$0.00	Recipient paid overage \$7,484.00
Literacy Link	Reading & Writing Materials	\$3,008.04	\$3,008.04		\$0.00	Recipient paid overage \$8.66
Mid-Del Congress of Parents & Teachers	Clothing Room	\$2,000.00	\$2,000.00		\$0.00	Recipient paid overage \$6.38
Mid-Del Group Homes, Inc.	Forklift	\$10,000.00	\$9,804.45	\$195.55	\$0.00	Recipient returned monies to Accounting office 12/01
Mid-Del Schools Academic Center	Outdoor Classroom	\$5,840.00	\$5,840.00		\$0.00	Recipient paid overage \$10.85
Mid-Del Technology Center	Neighborhood Electric Vehicle Demo. Project	\$7,108.00	\$7,108.00		\$0.00	Recipient paid overage \$1,581.00
Mid-Del Youth & Family Center, Inc.	Computer	\$1,457.83	\$1,457.83		\$0.00	Recipient paid overage \$47.30
Mid-Del Youth & Family Center, Inc.	Safe Place Program	\$6,190.53	\$2,840.98	\$3,349.55	\$0.00	Recipient returned \$3,349.55 to Accounting office 4/9/02
Mid-Del Youth & Family Center, Inc.	Curriculum Second Step Program	\$505.00	\$505.00		\$0.00	Recipient paid overage \$132.72
Mid-Del Youth & Family Center, Inc.	Storage Building	\$2,443.18	\$2,418.76	\$24.42	\$0.00	Recipient returned \$24.42 to Accounting office 4/9/02
Mid-Del Youth & Family Center, Inc.	Type and Talk Translator	\$378.26	\$0.00	\$378.26	\$0.00	Recipient returned \$378.26 to Accounting office 4/9/02
Mid-Del Youth & Family Center, Inc.	Prevention Youth Violence Program	\$1,985.00	\$0.00	\$1,985.00	\$0.00	Recipient returned \$1,985.00 to Accounting office 4/9/02
Midwest City High School Museum, Inc.	Museum	\$10,000.00	\$10,000.00		\$0.00	Recipient paid overage \$194.00
Midwest City Tree Board	Irrigation system/Adair Boulevard median	\$38,878.80	\$38,789.95	\$88.85	\$0.00	Recipient returned \$88.85 to Accounting office 4/02
MWC Martin Luther King Jr. Prayer Breakfast Comm.	Prayer Breakfast	\$5,000.00	\$5,000.00		\$0.00	Recipient paid overage \$1,263.45
OK Country Soccer Club	Marquee signs (2), additional seating & benches	\$18,910.00	\$18,910.00		\$0.00	Recipient paid overage \$275.20
Studio Mid-Del, Inc.	Build New Facility	\$50,000.00	\$50,000.00		\$0.00	Building Fund account "seed money"
United Scottish Clans of Oklahoma, Inc.	United Scottish Clans Festival	\$8,000.00	\$8,000.00		\$0.00	Recipient paid overage \$5,698.49
	Total Award Amount	\$500,000.00				
	Sub-Totals		\$472,680.18	\$27,319.82	\$0.00	
	Total FY 00-01 Grant Expenditures				\$472,680.18	
	Monies Returned to Hospital Authority Account				\$27,319.82	
	Total FY 00-01 Grant Monies Remaining				\$0.00	
	Totaling				\$500,000.00	376

MWC HOSPITAL AUTHORITY GRANT RECIPIENTS FY 1999-00

GRANT RECIPIENT	PURCHASE ITEM	AWARD AMOUNT	EXPENDITURES	MONEY RETURNED	BALANCE	REMARKS
Central Okla. Habitat for Humanity	Construct 8 houses	\$56,000.00	\$56,000.00		\$0.00	Recipient paid overage \$17,548.38
City of Midwest City	Irrigation system	\$30,000.00	\$30,000.00		\$0.00	Recipient paid overage \$31,755.00
City of Midwest City/EOC	Replace 8 emergency warning sirens	\$58,440.00	\$58,440.00		\$0.00	Recipient paid overage \$44,260.90
City of Midwest City/Fire Department	Directional Arrow Bar	\$7,456.00	\$7,448.71	\$7.29	\$0.00	Recipient returned \$7.29 to accounting office 2/01
City of Midwest City/Holiday Lights Spectacular	Holiday Display	\$791.27	\$791.27		\$0.00	Recipient paid overage \$7,335.73
City of Midwest City/Holiday Lights Spectacular	Storage Building	\$40,000.00	\$40,000.00		\$0.00	Recipient paid overage \$2,050.00
City of Midwest City/MIS Department	WAN/LAN Computer Interface	\$48,000.00	\$43,833.74	\$4,166.26	\$0.00	Recipient returned monies to accounting office 11/01
City of Midwest City/Parks & Recreation	Pavilion/restroom Project	\$99,310.00	\$99,310.00		\$0.00	Recipient paid overage \$359.20
City of Midwest City/Police Department	12 sets Turbo Flares	\$5,548.20	\$5,548.20		\$0.00	
City of Midwest City/Soldier Creek Nature Trail	Present Trail enhancements	\$40,750.00	\$40,750.00		\$0.00	Recipient paid overage \$11,215.78
Literacy Link	Reading & writing materials	\$2,446.53	\$2,446.53		\$0.00	Recipient paid overage \$4.15
Mid-Del Group Homes	Van	\$12,500.00	\$12,500.00		\$0.00	Recipient paid overage \$13,529.60
Mid-Del Public Schools Foundation, Inc.	Biology/Math project	\$4,500.00	\$4,500.00		\$0.00	Recipient paid overage \$27.72
Mid-Del Youth & Family Center, Inc.	Replace 3 sofas Children's Shelter	\$600.00	\$600.00		\$0.00	
Mid-Del Youth & Family Center, Inc.	Replace various appliances Childrens Shelter	\$4,553.00	\$4,553.00		\$0.00	
Mid-Del Youth & Family Center, Inc.	Network/juvenile offenders	\$6,605.00	\$6,605.00		\$0.00	
Midwest City Amateur Athletic Assoc.	Boxing facility	\$48,000.00	\$0.00	\$48,000.00	\$0.00	Recipient returned check to accounting office 7/00
Midwest City Chamber of Commerce	Business/Industrial Park	\$25,000.00	\$0.00	\$25,000.00	\$0.00	Recipient returned monies to accounting office 2/01
Midwest City Chamber of Commerce	Youth Excel Program	\$1,500.00	\$1,500.00		\$0.00	Recipient paid overage \$19.15
United Scottish Clans of Oklahoma	United Scottish Clans Festival	\$8,000.00	\$8,000.00		\$0.00	Recipient paid overage \$11,061.73
	Total Award Amount	\$500,000.00				
	Sub-Totals		\$422,826.45	\$77,173.55	\$0.00	
	Total FY 99-00 Grant Expenditures				\$422,826.45	
	Monies Returned to Hospital Authority Account				\$77,173.55	
	Total FY 99-00 Grant Monies Remaining				\$0.00	
	Totaling				\$500,000.00	

MWC Hospital Authority GRANT RECIPIENTS 1998-99

GRANT RECIPIENT	PURCHASE ITEM	AWARD AMOUNT	EXPENDITURES	MONEY RETURNED	BALANCE	REMARKS
MWC	Downtown Development	\$50,000.00	\$50,000.00		\$0.00	Recipient paid overage \$45.80
MWC Fire Department	Projector	\$7,281.00	\$7,487.82		\$0.00	\$206.82} Combined balances 2 grants = \$411.19 returned to accounting 8/00
MWC Fire Department	Infrarad Camera	\$20,805.00	\$20,186.99	\$411.19	\$0.00	-\$618.01}
MWC John Conrad Golf Course	Irrigation System	\$55,000.00	\$55,000.00		\$0.00	Recipient paid overage \$25,213.64
MWC Municipal Golf Course	Fencing, Carpet	\$19,020.00	\$19,020.00		\$0.00	Recipient paid overage \$2,887.67
MWC Soldier Creek	Nature Trail	\$28,103.00	\$23,986.08	\$4,116.92	\$0.00	\$4,116.92 balance returned to accounting 8/00
Holiday Lights Spectacular	Light Display	\$15,000.00	\$15,000.00		\$0.00	Recipient paid overage \$1,148.56
MWC Senior Advisory Committee	Van	\$40,000.00	\$40,000.00		\$0.00	Recipient paid overage \$1,289.00
Associated Catholic Charities	Holy Family Home	\$25,000.00	\$25,000.00		\$0.00	Recipient paid overage \$25,491.11
Autumn House	Van	\$26,452.00	\$26,452.00		\$0.00	Recipient paid overage \$21,447.78
Carl Albert High School	Visual Arts Equipment	\$1,536.00	\$1,536.00		\$0.00	Recipient paid overage \$32.00
Central Oklahoma Habitat for Humanity	Homes built in MWC	\$20,000.00	\$20,000.00		\$0.00	Recipient paid overage \$24,861.40
Communication Connection "Dog Ears"	2 Dogs & Training for Hearing Impaired	\$6,800.00	\$5,894.16	\$905.84	\$0.00	*\$905.84 balance returned to accounting 7/31/00
Literacy Link	Printer, educational material (books)	\$3,658.00	\$3,658.00		\$0.00	Recipient paid overage \$0.18
Mid-Del PTA Council	Clothing	\$2,000.00	\$2,000.00		\$0.00	Recipient paid overage \$762.58
Mid-Del Schools	Youth/Senior Citizens	\$12,894.00	\$12,894.00		\$0.00	Recipient paid overage \$567.40
Mid-Del Youth & Family	Carpet, etc.	\$7,950.00	\$7,950.00		\$0.00	\$1,167.37
Mid-Del Youth & Family	Storm Shelter	\$4,600.00	\$4,600.00		\$0.00	\$730.00/Combined balances 3 grants = \$959.63/Recipient paid overage
Mid-Del Youth & Family	Building Renovation	\$11,605.00	\$11,605.00		\$0.00	-\$2,857.00
Midwest City Choral Society	Musicians, etc.	\$3,800.00	\$3,800.00		\$0.00	Recipient paid overage \$6.29
MWC MLKing Jr. Prayer Breakfast Committee	Prayer Breakfast	\$4,000.00	\$4,000.00		\$0.00	Recipient paid overage \$726.68
OMNI Neighborhood Assoc.	Playground	\$10,000.00	\$9,926.63	\$73.37	\$0.00	\$73.37 balance remaining returned to accounting 7/10/00
Optimist Club	Park	\$10,000.00	\$10,000.00		\$0.00	Recipient paid overage \$6,250.00
United Scottish Clans of Oklahoma	Festival	\$7,000.00	\$7,000.00		\$0.00	Recipient paid overage \$116.48
	Total Award Amount	\$392,504.00				
	Sub-Totals		\$386,996.68	\$5,507.32	\$0.00	
	Total FY 98-99 Grant Expenditure				\$386,996.68	
	Monies Returned to Hospital Authority Account				\$5,507.32	
	Total FY 98-99 Grant Monies Remaining				\$0.00	
	Totaling				\$392,504.00	

MEMO

To: Hospital Authority Board of Grantors

From: Bert Norton, Fire Chief

Date: January 23, 2017

Subject: Discussion and consideration of approving the Midwest City Fire Departments' request for permission to change the awarded grant money from the fiscal year 2015-16.

Dear Board of Grantors,

In fiscal year 2015-16, you may recall that you generously awarded the Fire Department grant funds in the amount of \$100,000. I am writing to request a change to the use of money awarded.

As indicated in our grant application, \$50,210 of the funds would be used to purchase the electronic accountability system that enables the ability to track firefighters while working inside structure fires.

In 2015-16, we also applied for a Federal grant "Assistance to Firefighters Grant" from FEMA. We have previously applied for this Federal grant and have high hopes of being a recipient this time. The Federal grant would be used to replace all of our current Self-Contained Breathing Apparatus (SCBA). As technology would have it, these new SCBAs now have electronic accountability systems built into them.


Thus, if we are awarded the Federal grant funds, we would not need to purchase the system described in our application to you and feel that it would not be good stewardship of the Hospital Authority Grant funds to purchase the obsolete accountability system.

Would you please consider allowing us to use the \$50, 210 for other highly desired purchases not reflected in our current grant application for the fiscal year 2016-17?

- Firefighting Helmets for \$21,484 – Currently, 40 out of the 82 helmets will expire next year with the remaining 42 helmets having different expiration dates based upon hire dates. The new style of helmet, we would like to use, features enhanced safety and a design that allows debris runoff to move away from the wearer. We would like to replace all helmets at the same time to remain uniform as a Department and increase all firefighter's personal protective gear.

- Wifi for the Fire Stations for \$12,043.86 – In an effort to reduce the cellular data usage we incur at five of our stations, we would like to install a wireless network (The Fire HQ is the only station with Wifi currently). Our iPads are a necessity as they are the lifeline of data from dispatch to the fire crews when responding to emergency calls. All our iPads have a data plan with them that requires a monthly service fee, but with the station Wifi we could eliminate that cost.
- Apple TVs for the Fire Stations for \$1,200 – To enhance our training plans known as Job Performance Requirements, we are asking for Apple TVs, dependent upon the Wifi. Some of the training plans feature videos and PowerPoint presentations. Currently, the firefighters gather around a single small computer monitor. With the Wifi and Apple TVs we could stream videos, PowerPoints, and lesson plans from the iPads to a television.
- Fire Marshal Truck Bed Cover for \$3,500 – The Fire Marshal truck was purchased with limited funds in 2015. Those funds did not allow us to add a cover for the bed to protect the tools and items needed for investigations from weather and theft. Further complicating the issue is that most investigation equipment must be kept out of the cab as to not contaminate the cab with carcinogens or they are too filthy. Many times the investigator may be out of sight of the vehicle during an investigation leaving valuable equipment at risk of theft.
- Administration Office Flooring Update/Nozzles and Hoses for \$11,982.14 – Station 1 was constructed in 1976 with cast iron plumbing. Over the last ten years, the plumbing has corroded and caused leaks that have accumulated in the administration area. As this is the area that all visitors must come through, we are requesting this funding to change the current stained carpet out for solid surface flooring that will be easier and more efficient for maintaining. We are awaiting a final quotes on the flooring and if they are less or considerably less, we would like to ask you for the option or ability of applying the remainder of the \$50,210 to purchase fire nozzles and/or 50' sections of firefighting hose.

Thank you for your consideration.



Bert Norton, Fire Chief